REPORT

OF THE

Bombay Millowners' Association

For the year 1925.

(*Established 1st February 1875.*)

Bombay:
PRINTED BY G. CLARIDGE & CO., LTD.
1926.

Presented

by

JEHANGIR BOMANJEE PETIT.

BOMBAY BRANCH

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THE BOMBAY MILLOWNERS' ASSOCIATION.

REPORT FOR THE YEAR 1925.

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Bombay Millowners' Association.

Section I.

PROCEEDINGS OF ANNUAL GENERAL MEETING, ETC.

Bombay Millowners' Association.

ANNUAL GENERAL MEETING.

THE ANNUAL GENERAL MEETING of the members of the Bombay Millowners' Association was held in the rooms of the Association (Sohrab House), on Thursday, the 4th March, 1926, at 11-30 a.m. (S.T.) to transact the following business:—

1. To receive the report of the Committee for the year 1925.

2. To appoint Auditors of the Association's Accounts for the year 1926, and to transact any other business that may be brought forward.

Mr. N. N. WADIA, C.I.E., Chairman of the Association, presided.

The following gentlemen were also present:—

Sir Victor Sassoon, Bart., of the Apollo Mills, Ltd., David Mills, Ltd., Edward Sassoon Mills, Ltd., E. D. Sassoon United Mills, Ltd., Elphinstone Spinning and Weaving Mills Co., Ltd., and Meyer Sassoon Mills, Ltd.; Sir Fazulbhoy Currimbhoy and T. Watts, Esq., of the Bradbury Mills, Ltd., Ceylon Spinning and Weaving Co., Ltd., Currimbhoy Mills Co., Ltd., Crescent Mills Co., Ltd., Ebrahimbhoy Pabaney Mills Co., Ltd., Fazulbhoy Mills Co., Ltd., Indian Bleaching, Dyeing and Printing Works, Ltd., Kastoorchand Mills, Ltd., Indore Malwa United Mills, Ltd., Mathradas Mills, Ltd., Madhorao Scindia Mills, Ltd., Pearl Mills, Ltd., and Premier Mills, Ltd.; A Geddis, Esq., of the Swan Mills, Ltd., and Finlay Mills, Ltd.; S. D. Saklatvala, Esq., and N. B. Saklatvala, Esq., C.I.E., of the Central India Spinning, Weaving and Manufacturing Co., Ltd., Standard Mills Co., Ltd., Swadeshi Mills Co., Ltd., and Tata Mill, Ltd.; J. A. Kay, Esq., M.L.C., J. Tinker, Esq., and D. Moir, Esq., of the Colaba Land and Mill Co., Ltd., New City of Bombay Manufacturing Co.; Ltd., and New Great Eastern Spinning and Weaving Co., Ltd.; C. N. Wadia, Esq., C.I.E., and H. P. Mody, Esq., of the Century Spinning and Manufacturing Co., Ltd.; J. B. Petit, Esq., of the Framji Petit Manufacturing Co., Ltd., and the Maneckji Petit Manufacturing Co., Ltd.; Narottam Morarji, Esq., of the Morarji Goculdas Spinning and Weaving Co., Ltd., and the Sholapur Spinning and Weaving Co., Ltd.; F. F. Stileman, Esq., of the Kohinoor Mills Co., Ltd.; Lalji Naranji, Esq., M.L.C., and C. C. Dalal, Esq., of the Khandeish Spinning and Weaving Mills Co., Ltd., and the Jam Shri Ranjit Singhji Spinning and Weaving Co., Ltd.; Madhowji D. Thackersey, Esq., and Hurgovindas Jamnadas Ramji, Esq., of the Hindoostan Spinning and Weaving Mills Co., Ltd., the Crown Spinning and Manufacturing Co., Ltd., the Western India Spinning and Weaving Co., Ltd., the Indian Manufacturing Co., Ltd., and the New Kaiser-i-Hind Spinning and Weaving Co., Ltd.; H. H. Sawyer, Esq., of the Sassoon and Alliance Silk Mill Co., Ltd., the Sassoon Spinning and Weaving Co., Ltd., and the Union Mills, Ltd.; D. F. Batliwala, Esq., of the Bombay Dyeing and Manufacturing Co., Ltd.; D. J. Registrar, Esq., of the Berar Manufacturing Co., Ltd., and the Model Mills (Nagpore), Ltd.; T. V. Baddeley, Esq., of the Simplex Mills Co., Ltd.; A. P. Sabavala, Esq., of the Coorla Spinning and Weaving Co., Ltd.; F. Tarachand, Esq., of the Dharamsi Morarji Chemical Co., Ltd., and the Dharamsi Morarji Woollen Mills, Ltd., T. Maloney, Esq. (*Secretary*) and J. P. Wadia, Esq. (*Asst. Secretary*).

The notice convening the meeting having been read by the Secretary, MR. WADIA, in opening the proceedings, said:—

GENTLEMEN,—To-day we meet to adopt the Annual Report of the Association for the year 1925, the fifty-first year of its existence. The Report has been in your hands for some days and from its perusal you will have obtained a fairly comprehensive idea as to the

work which has been done during the past twelve months. It deals with many subjects of special importance to our industry and incidentally shows the great amount of work performed by your Committee during that period. I have much pleasure in proposing its adoption.

The Suspension of the Cotton Excise Duty.

The year that has just closed has been full of events, anxieties and troubles for the Cotton Textile Industry, but one event stands out in bold relief as of paramount importance to the industry. I refer to the Ordinance of the Viceroy published on the 1st December, 1925, by which the Excise Duty was suspended until the 1st March, 1926, and three days ago the intention finally to repeal the duty was announced in the Budget proposals of the Finance Minister. I am sure that you will endorse the thanks which the Committee tendered to the Viceroy when the Excise Duty was suspended. There is little doubt that the repeal of this iniquitous duty will eventually help us in maintaining the wages and the standard of living of our workmen while meeting foreign competition. I also am sure that you will endorse the expression of thanks which the Committee sent to His Excellency the Governor of Bombay for the special efforts which he made from time to time in order to persuade the Secretary of State and the Government of India as to the advisability of repealing the duty in the interest of the cotton textile workers as well as the welfare of the textile industry, and the general welfare of the Presidency.

Before leaving the subject of the Excise Duty I would, however, call your attention to the rather unusual phraseology used by the Finance Member when referring to its repeal in the second paragraph of his Budget statement. Sir Basil used these words, " No miracle can restore it (the Excise Duty) to life at this time other than some unthinkable accident in the passing of the Finance Bill. " I am at a loss to understand the exact significance of these words, and I also fail to appreciate why in para 58, mention has been made of the yield which would be obtained in 1926-27 if the Cotton Excise Duty remained on the Statute-book. It would, in my opinion, have been infinitely more satisfactory if the Finance Member had entirely obliterated from his mind the possibility of any yield from the Cotton Excise Duty in 1926-27 in view of the definite pledge of its repeal.

I fail to understand why the remission of the Excise Duty, which is universally desired, should be at all jeopardised by incorporating the provisions for its removal in the Finance Bill. I should have thought that it would have been a simpler procedure to introduce an entirely separate one-line Act repealing the Cotton Duties Act of 1896. Such procedure would have made the repeal of the Excise Duty certain and complete and remove any possibility of its continuance owing to the Legislative Assembly not agreeing to the passage of the Finance Bill. I trust, however, that my fears are unjustified and that the Finance Member will assure us that no matter what the fate of the Finance Bill, the Cotton Duties Act will be repealed.

Japanese Competition.

I have written and spoken so much during the course of the year on the subject of the unfair competition which we have been experiencing from Japan and the consequential difficult times through which the industry was passing that if I were to consult my own individual desires I should not say anything further on the subject to-day. But I feel it to be essential before I leave office to place on record certain facts which ought to be borne in mind most carefully in the years to come. Last year, speaking at the Annual General Meeting I mentioned three reasons that enabled Japan to compete successfully against us, how that country importing its raw cotton from India, paying freight on same, manufacturing it into yarn and cloth, and reshipping it to India again paying freight, and in spite of an import duty of 11 per cent. on cloth and 5 per cent. on yarn was able to undersell us in our own market at a price below our cost of manufacture. The main reasons which I then adduced to account for this competition still exist. In spite of her representatives having agreed to the conventions passed at the Washington Labour Conference in 1919, Japan is still working her mills in two shifts for 22 hours per day, and is still employing female labour at night. I leave it

to you, gentlemen, to estimate the saving in the cost of production through overhead charges being reduced, which could be obtained if similar conditions prevailed here. I also pointed out the Japanese mills were also materially assisted in their export trade owing to indirect bounties, camouflaged subsidies, and the depreciation of her exchange. It is now clearly apparent from recent correspondence which has passed between our Association and the Japanese Cotton Shippers' Association that the Japanese Government are not enforcing the Washington Conventions owing to the fact that the Japanese Master Cotton Spinners' Association have no intention of prohibiting the employment of women labour at night until the 31st August, 1931, or later. It does not seem to weigh to any extent with the Japanese Government that the Washington Conventions were agreed to in 1919 and that all the main provisions of those conventions have been enforced throughout India since the beginning of 1922. If further proof on this point was desired it was forthcoming from the declaration made by Mr. Mayeda, the Japanese Government Delegate on the International Conference at Geneva last year:—

> "The proposed amendment of the Japanese Factory Act provides that after three years from its enforcement, night work for women and young persons shall be entirely prohibited. This three years' preparation may be justified by the necessity of extending equipment and general facilities to cope with the diminution of output consequent upon the abolition of night shifts."

This view is again confirmed in a letter addressed to our Association from the Japan Cotton Shippers' Association reading as below:—

> "It is only to be noted that in consideration of her special circumstances, she seems to be allowed some period of grace to enable her to prepare the necessary arrangement, and I have every reason to believe that all signatory powers have willingly agreed to such a postponement. The chief point under this subject seems to be the night work of women which is only used for spinning and I do not think there will be such a great difference arising therefrom on cost calculation as to provoke the present agitation against her. Neverthless the female night work in Japan will be entirely stopped from the 31st August, 1931, loyally adhering to the Conference decision."

In 1914, Japan had 2,657,175 spindles and 25,443 looms. At the end of 1924, she had about 4¾ millions spindles and 64,460 looms. The latest information we have received shows that the spindles by the end of 1925 had increased to 5,100,000, and it might be inferred that there was a similar, if not larger, proportionate increase in the number of looms. At this rate of increase their spindles and looms will be doubled within a few years and Japan will then be in a position to produce the same quantity of yarn and piece-goods which they are turning out at present, even if only one shift working had to be adopted. Apparently, when that stage has been reached the Japanese Master Cotton Spinners intend to stop night work for women, which will of course mean the entire cessation of night work, for the reason that 80 per cent. of the workers in the cotton mills are women. The period of grace which she apparently requires before condescending to ratify the Washington Convention is evidently for the purpose of installing enough spindles and looms to consolidate, and hold in the future, the great export trade in yarn and piece-goods that she is securing by taking unfair advantages over her competitors in the matter of labour conditions.

You, gentlemen, must have seen in the columns of the Press during the last few weeks certain threats of retaliation by the Japanese Government if the Indian industry is granted help to counteract the unfair competition from Japan. It is, however, most significant that these articles have contained no statements or information to show that there is any intention of stopping the employment of women at night. The policy which your Committee have adopted is this. That when the Government of India enforced the Factory Act of 1922 and enacted in this Act provisions which went even beyond the Conventions agreed to at Washington they necessarily took up on themselves the onus of seeing that the restrictions that they were rightly and correctly placing on the industries of this country, in order to protect the workers engaged therein and to improve their conditions, would be observed by India's trade competitors; and failing their ability to enforce similar conditions in other

countries would protect Indian industries against unfair competition arising from inferior conditions of labour. It is one of the first duties of the Government of India, no matter what the Japanese Master Cotton Spinners say to the contrary, to safeguard indigenous industries and the workers employed therein, and no conventions or international treaties absolve them from this onus and duty. After all International trade agreements are entered into on the understanding that there shall be fair conditions of competition. When competition ceases to be fair owing to the fact that imported goods are not produced under the same restrictions and conditions of labour as are observed in indigenous industries, then *ipso facto* such treaties should cease to exist since they are only instruments for the perpetuation of disadvantages to the country which gives the better conditior s of labour. The Government of India as the custodian of the interests of the Indian people should see that either Japan comes to line at once and forbids the employment of women at night or take steps against her to prevent Indian industries from suffering.

But one course alone appears open. Japan as a co-signatory to the Internation a Labour Conventions accepted at Washington in 1919, must be made to realise the consequences of that action. Courteous explanations of her failure to implement a solemn undertaking given seven years ago will no longer satisfy the hundreds of thousands of workers engaged in the industry in India, now that they see that non-ratification is a primary cause of the troubles of the industry.

Proposals designed to promote an effective international agreement for regulating hours of labour in Western countries occupied a prominent position in the King's speech when opening Parliament lately. Unless, however, they are to lay themselves open to the charge of straining at a gnat and swallowing a camel, the British Government's attitude towards the conditions obtaining further afield in that respect needs to be even more urgently defined.

As regards the threat of increased duties on pig-iron, leather, jute, hides, rice and various other articles which Japan imports from India, I would remind you that all these articles are raw materials of which Japan has an insufficient indigenous supply, and the imposition of duties will not help her in the slightest degree—she would only be cutting off her nose to spite her face. Before leaving this subject I would like you, gentlemen, to read carefully a very well written article (in the *Times of India* of 5th February, 1926) on the subject of "Labour Conditions in Japan." That article showed how Japanese labour was recruited, how it was fed and housed, and to what a small degree working conditions were regulated by law. Gentlemen, we can really congratulate ourselves that we do not have to send recruiting agents into the highways and by-ways to compel women to come and work in our mills, nor do we keep police guards around our mills to prevent them from escaping from the premises. Our workmen, whatever their lot may be, are free to come or go as they please, and work in our mills as free agents.

During the year, as I have said, the Japanese exchange has again been a weighty factor in competition. Fortunately, a turn has now taken place and the exchange from being as low as 108 rupees for 100 yen has now risen to 126, and the recent rise has certainly improved the prospects of our successfully facing Japanese competition. I trust the present rise will be maintained and exchange will not go down again. But we shall not be free from competition until the exchange returns to somewhere near its pre-war normal of 153, which was the level until the late calamity in Japan, which led to the depreciation of yen sterling exchange, and until the Government of India began to dabble in exchange. I do not wish to make any further remarks on this subject as at present the Indian Currency Commission is in session and their report regarding the currency and exchange policy of this country is expected to be out in a few months. Indirectly their recommendations will have an important bearing on the question of Japanese exchange, and will intimately affect the future prosperity of our country as a whole, and our industry in particular. I take this opportunity of thanking my friend Sir Victor Sassoon for the able manner in which he put the views of your Committee before the Currency Commission in his oral evidence, when he made clear the effect of exchange on the industries of this country.

As regards the indirect bounties or subsidies which Japan enjoys, we know they say that they do not receive any bounties. Perhaps we might be tempted to say the same thing if we were in their position, because nobody likes to acknowledge publicly secret commissions or subsidies. It is, however, a patent fact that the consumption tax of 10 per cent. which Japan levies on her own manufactures in her own country, is remitted when the manufactures are exported. It may be said that this is analogous to the case of the Cotton Excise Duty in this country, which was remitted when the goods went out of India. I quite agree, but at the same time, this combined with the cheap freights and other concessions enables them to sell their goods in a foreign country at a much cheaper price than they could in their own country. This is one of the recognised claims which has to be substantiated if under the English Act any industry asks for protection against dumping. Well, gentlemen, you know what is the freight for cotton from Bombay to Japan, Bombay to Shanghai or Hongkong as against the freight for Indian yarn and piece-goods to the same places. The latest example of this splendid Japanese organisation for securing subsidies, was the formation of the Indian Cotton Transport Association to which the Conference Lines including the great P. & O. Company give concessions which reduce the freight rate for raw cotton to Shanghai to about half the gross rate. Perhaps the most astonishing feature of this freight agreement is that the Agent of the Japanese Cotton Spinners' Association in Bombay has been appointed to allot space in all Conference Lines for shipping Indian cotton. I need not dwell on this aspect of the bargain except to remark that the shippers of cotton in Bombay must be devoid of all intelligence if they continue to place themselves at the mercy of a single Japanese Association in this way, and it surprises me greatly that a firm of British shippers should have agreed to such a Convention.

Future Development of Trade.

Gentlemen, I do hope that with strict economy, and the great retrenchments which our mills had lately made, and by greater efficiency on the part of our workpeople, we shall be able to stand this insidious Japanese competition even if we are not able to make profits, and I recommend each one of you to see how far expenses can be cut down to maintain our great indigenous industry, which is the mainstay of the prosperity of Bombay and the Bombay Presidency. Of course, as I have said on several previous occasions, if the Government of India help us by imposing an *ad-hoc* duty on the imports from countries which do not observe the Washington Conventions, until such times as those countries come into line, it will materially help us. But we certainly should not be entirely dependent on the whims of the Government of India. The time has arrived when each one of us will have to make special efforts by sending out representatives to all foreign markets, for the purpose of stimulating our export trade. In this, I would like to copy the Japanese example if in nothing else. They teach us the value of sending representatives abroad in order to ascertain the exact demands of those markets, and endeavour to supply those demands at competitive prices. Unless we can bestir ourselves, and develop our export markets, I predict that the depression in our industry will continue longer than is absolutely necessary. The time has passed when we can be content to remain wholly dependent on our home market.

Labour.

Another essential point, and in this I would like our labour leaders to co-operate with us, is to make our labour more efficient, and as a first step I recommend that the labour leaders should teach our workmen to reduce absenteeism. Before the strike, absenteeism in the Bombay cotton mills varied at times from 10 per cent. to 20 per cent., or an average of 11¼ per cent. according to the *Labour Gazette*. I would strongly urge labour leaders like Mr. Joshi, Mr. Chaman Lal and others, if they are real labour leaders as they claim to be, to teach labour that no industry can carry on in competition with other countries while such a high percentage of absenteeism obtains. Speaking about Mr. Joshi, I feel I must give you the following extract from his speech at the International Labour Conference at Geneva last May:—

"I am not unmindful of the fact that certain Conventions passed at Washington have not yet been ratified by Japan. When I refer to Japan, I assure you, Mr. President, and I should like to assure my colleagues from Japan that I do not speak in a spirit of

fault-finding. I am speaking on this subject because we experience great difficulty in India owing to the non-ratification by Japan of Conventions and Recommendations, especially as regards hours of work and the night work of women. We look upon Japan —at least in India—as the leader of Asia. We look to Japan to show us the path to guide us in the way of progress; and therefore when we find that the Japanese Government does not ratify the Conventions and Recommendations, we in India are greatly disappointed."

"We are not only disappointed, but for the last two years we, workers in India, have felt that if Japan does not ratify the Conventions and Recommendations, it will be difficult for the workers of India to secure any progress as regards their own conditions. Not only that, but we fear that it may be difficult for us to maintain even the conditions we enjoy to-day; we feel that our standards are liable to be lowered."

If Mr. Joshi, like our representative Sir Thomas Smith, had spoken at Geneva with all the force and emphasis which he can at times command, he would have created a powerful impression, and probably would have indirectly forced the Japanese Government to come into line with other great industrial countries in the matter of hours of labour and the prohibition of the employment of women and young persons at night. As he himself stated, if Japan did not observe the Convention, the lot of the workers in India could not be improved, as their industry was in direct competition. This being the case, I fail to understand why he should have made a feeble speech, instead of boldly and emphatically advocating the necessity of Japan at once giving effect to the Washington Convention. I must give credit to the Japanese Labour representative at Geneva. He did not mince words in putting their side of the case before the International Labour Conference.

Managing Agents.

Gentlemen, during the last twelve months, we have read in certain sections of the Yellow Press criticisms on the efficiency of our industry and very often scurrilous attacks have been made on the managing agency system under which our industry is controlled. One paper in particular went so far as to charge some of the agents with pocketing illegal commissions which ought to have been returned to their mills. If really there were such discreditable dealings on the part of the mill agents why had the public of Bombay sat quiet? Are not our shareholders fully aware of their rights and responsibilities, and why have they, the people directly concerned, not called their managing agents to account up to now? There is a type of journalism in this country which makes irresponsible charges without ascertaining the facts, and such journalism does more harm than good, and tends to bring the industry into disrepute. I appeal to such journalists before they rush into print to reflect what useful purpose is served by making charges which cannot be substantiated.

Then again the whole system of managing agency is attacked. The absurdity of this attack is evident when one considers that practically every industry in India, whether it be British or Indian, has had to adopt the same system of management which they so airily condemn, and which for more than fifty years has most successfully controlled the destinies of the cotton mill industry, the jute industry, the coal industry and the tea and rubber industries. If people who make such charges would only enquire into the history of this managing agency system, the great responsibilities attached to it, the multitudinous functions and risks which agents perform, they would have obtained some idea of why the system exists. I would like them to remember that the managing agents do not merely perform the functions of a managing director in running the mills. They are personally responsible for financing the mills, and are practically their own bankers as up to very lately the industries had difficulty in procuring finance owing to the paucity of large banking institutions in the country. It was chiefly for this reason that the agency system came into being as the best means of controlling and directing the industries of this country. Nobody has dared to attack this system as regards the jute mills, where I understand the same or higher commission is paid to the managing agents as obtains in Bombay. If the attack is only against mill agents who get commission on production and not on the basis of profits, then there may be some justification in their argument. But I ask how many of our mem-

bers in Bombay are observing that system. I do not think there are more than two firms in Bombay who are paid on such a basis. Gentlemen, I am afraid I have trespassed greatly on your time in placing these facts before you, but these are anxious times and I would like you to realise some of the difficulties your Committee have had to face.

Mill Profits and Losses.

Many conflicting statements have been expressed and received wide publicity with regard to the profits of the industry in recent years. You will recall, in this connection, that on the occasion of the strike of the operatives in 1924, as a protest against the discontinuance of the wage bonus paid during the preceding five years, the ability of the industry to meet the demand, formed a subject of official enquiry. For that purpose, tabular statements were prepared by a leading firm of chartered accountants on behalf of our Association showing for a period of years the capital invested, the form in which it was utilised, profits, wages and other relative statistics. Not only did the resultant figures provide a complete refutation of the operatives' claim, but the figures prepared by Messrs. Ferguson & Co. were generally regarded as a most interesting and authoritative presentation of the financial status of any industry that had ever been attempted in India. In view of the widespread interest evoked by their subsequent publication and the value to the millowners themselves of so complete a review of the position of the industry as a whole, your Committee decided to keep the statistics up to date, and a similar enquiry in respect of the year 1924 has recently been completed. This shows the following main features:—

Subscribed capital	19.17 crores.
Capital including reserves	30.78 ,,
Capital including reserves and debentures	33.91 ,,
Original block cost	46.76 ,,
,, ,, less depreciation	31.56 ,,
Net loss for the year 1924	2.27 ,,
Wages paid in 1924	*6.12 ,,

If a comparison of the results of the last two years' working on the basis of individual mills be instituted, the figures show that in 1923, 32 mills made a profit and 43 suffered a loss after deducting all charges and the usual depreciation. The position in 1924, on the other hand, was that 32 mills made an aggregate profit of Rs. 75 lakhs, while the combined losses of the remaining 47 mills amounted to Rs. 129 lakhs. As, however, 51 mills failed to make any provision for depreciation, the actual loss was increased to the amount shown above, *viz.*, 2.27 crores.

It will be observed further that the reserves have been invested in the main, in extensions of land, buildings and machinery, and are not held in a liquid state. This point is of interest in view of the contention of labour leaders in this country and their supporters elsewhere that the undivided profits of the boom years should have been utilised in the maintenance of the operatives' wages at their previous level.

Strike.

Gentlemen, your Committee had rather an anxious time during the two and a half months' strike of workmen last year. It was in their opinion an unnecessary strike. Your Committee placed before the public, the workmen and the labour leaders, all the facts as far back as the beginning of June, *i.e.*, 3 months before the cut in wages was to be made. They pointed out the grave times which the industry was passing through, how the mills were suffering from the severe competition, how enormously the stocks of cloth and yarn had increased and the difficulties which mills were experiencing in procuring finances for running their concerns. Your Committee therefore, after fully considering the facts, placed before you a recommendation that the wages in Bombay mills be reduced by 11½ per cent. or, in other words, that the dear food allowance should be reduced from 70 per cent. and 80 per cent. on to 50 per cent. and 60 per cent., and you in general meeting assembled, with

* This includes a two months' strike.

full knowledge of the facts agreed to that recommendation. One or two members advocated short-time working though they also recognised the gravity of the situation. A full month's notice was given before the reduction was put into operation. But after receiving their August wages, on the 14th September, *i.e.*, 14 days after the reduction had come into force, our workers were induced by mischief-mongers to go out on strike, and all of them came out and remained on strike for nearly 2½ months, and if it had not been for the relief given to us by the suspension of the Excise Duty in consequence of which we reinstated the cut, as we had originally promised, we do not know how long the strike would have continued. The leaders and the workmen ought to have recognised that there was no other alternative before the industry and that we would not have taken the step we did except through sheer necessity. Our friend Mr. Joshi contended that we had no right to reduce wages, and that we ought to have gone on short time. I ask him which was the least harmful to workmen, a 11½ per cent. general cut or one day's short time in a week. The men would have lost much more by one day's short time than by agreeing to this cut, and our production cost would have increased. However, all that is past history, and the men are now back at work, and I am glad to say that since resuming, they are working harder than they ever did before. Absenteeism has been reduced to 3½ per cent. in our mills, and the workers appear to have made up their minds to make up what they had lost during the strike. This shows distinctly that given the necessary incentives and guidance, absenteeism can be reduced and efficiency generally increased. If the present efficiency continued, it would go a great way towards improving the position of our industry, and also the lot of the workers.

Taxation.

Gentlemen, I am sorry that in spite of the strenuous efforts made by your Committee, we have received no relief from either the Imperial Government, or the Provincial Government, or the Bombay Municipality in the matter of taxation, except the well-known repeal of the Excise Duty.

The report of the Taxation Committee is just published and I am surprised at their recommendation regarding super-tax now levied on companies, which they declare to be in essence a corporation profits tax. They recommend that it should be definitely called by that name and the exemption of the first Rs. 50,000 should be abolished, and the practice of charging super-tax on those parts of the profits of holding companies that represent dividends of subsidiary companies should be put a stop to. The last proviso seems fair, but I do not understand on what grounds they recommend to make the companies super-tax a permanent tax and remove the exemption of the first Rs. 50,000. As you are aware, gentlemen, the companies' super-tax was a wartime measure and as such, public opinion right throughout India, as per resolution passed by the Associated Chambers of Commerce in Calcutta last December, demands that this tax should be abolished. It is iniquitous inasmuch as super-tax is first charged on the company including the dividends paid out, and the shareholders after receiving the dividends again pay this tax. For this very reason two years ago, the British Parliament did away with the companies super-tax and it is surprising that the Taxation Enquiry Committee should now recommend that it should be made permanent in India.

I therefore repeat again that taxation remains high, and until reduced, we consider that our difficulties will not be satisfactorily solved.

East India Cotton Association.

I had occasion last year to make certain strong remarks regarding the East India Cotton Association. I must now congratulate that body on having taken my remarks to heart. They have definitely prohibited the speculative transactions in Kacha Kandy and Kacha Americans under a penalty of suspension or expulsion from the Association, and I understand are taking steps to enforce the same. Further, they are strictly observing reasonable trading hours, 12 noon to 6 p.m. in winter months and 12 noon to 6-30 p.m. in the summer months. They have also definitely laid down that trading on holidays is illegal. Last year, I had also to complain about the non-observance of certain other by-laws, but I

am glad to see that there has been considerable improvement in this respect, and that, speaking generally, the business of the East India Cotton Association is now being conducted more on the lines of similar Associations in Europe and America.

Your Committee had a great deal of correspondence with the East India Cotton Association on the need for reducing the number of Hedge contracts, and on behalf of your Committee I must thank the members of that body for their courtesy in receiving a deputation from your Committee to examine the question of Hedge contracts in detail. I am sorry to see that our proposals and also the other alternative proposals of Mr. V. A. Grantham of Messrs. Forbes, Forbes Campbell and Co. which were placed before a representative meeting of the different panels of that Association were defeated, but our work was not fruitless, for we can claim to have brought home to the trade, the true purpose of Hedge contracts. We trust that in the near future, we shall succeed in converting them to our view regarding the necessity of broadening the Hedge contracts. In view of the repeated dangers of corners more especially in Oomras, it is now generally becoming recognised that some more effective measures must be adopted to prevent the occurrence of corners in future.

New Legislation, etc.

Gentlemen, the report submitted to you bears evidence to the volume of work done by your Committee and the number of subjects tackled by them. The question of bringing about the abolition of the Excise Duty of course occupied the first place in the programme of work the Committee set before themselves, and I need not refer to the ceaseless attempts made by your Committee to obtain for the cotton industry of the country release from this crushing burden. But in addition to exceptionally strenuous work on this subject, other important matters engaged your Committee's attention. Important legislative measures like the Bill to amend the Indian Factories Act, the Bill to provide for the regulations of gins and presses, the Insurance Companies Bill, the Bill to amend the carriage of goods by sea, etc., were all very carefully scrutinised by your Committee, and they trust that their representation on each of these will meet with your entire approval. You will further notice from the report that your Committee have been able to obtain for you reductions in the rates for fire insurance and other benefits from the Bombay Fire Insurance Association.

Early in September, Mr. A. R. Loftus Tottenham, First Member of the Board of Revenue, met a special Sub-Committee when an interesting discussion took place as a result of which the procedure hitherto followed in allowing depreciation on machinery for the purposes of income-tax assessment has been altered, and a legitimate grievance of the industry has thus been removed. You are aware that the Municipal Commissioner who was quite obdurate in 1924 on the question of refunds of municipal taxes during the strike period has met your Committee half way this year. I need not refer further to the activities of your Committee, but I am sure you will agree that they put forth a very creditable record of work during the year.

Manchester Chamber of Commerce.

Gentlemen, before I conclude, I must take this opportunity of thanking the President and members of the Manchester Chamber of Commerce and the Federation of Master Cotton Spinners' Association for so kindly receiving me and consulting me during my last visit to England. It is alleged in certain quarters that I went to England to seek the co-operation of the Lancashire manufacturers against Japan, offering them as a bribe Imperial preference. Gentlemen, no words are required from me to prove the hollowness of such a charge as you all know that I went there simply to state the facts as regards Japanese competition, and ask Lancashire to make common cause with me in fighting a common foe. I told them that before we could ask for protection we should have to continue our fight for the repeal of the Excise Duty recommended by the Indian Fiscal Commission. If after the duty was repealed, our industry needed any further assistance, then we should ask for that. The first step towards the repeal of the Excise Duty was only taken in December last, and its final repeal was notified only three days ago. Your Committee had to wait patiently, and at times tread warily until the first step was finally accomplished, and now it is for your new Committee to consider what further steps they should take if the present unfair Japanese competition

continues to hamper your industry. As you are well aware, and as I have publicly stated from time to time, I maintain that we do not require protection in the sense in which it is generally understood all over the world. What we want is that the industry should be guarded against unfair competition from countries who do not observe the Labour Conventions, and who are consequently able to sell goods in this country at lower prices than the indigenous article. Help such as we require is already given to other countries by legislative enactments like the British Safeguarding of Industries Act, the Australian Industries Preservation Act, and the South African and Canadian Anti-dumping Acts, and we want the Government of India to adopt similar measures. But when I urge that the Government of India should take such steps it should not be interpreted or understood to mean that I have made any bargain with Lancashire towards giving them the benefit of Imperial preference. I have made my position and the position of your Committee quite clear on this point on several occasions, and I again do so to-day as I find that certain interested parties are indulging in such charges in order to ingratiate themselves with our competitors.

Conclusions.

There are many other points which I would have liked to touch upon to-day, but the time at my disposal will not allow me to do so. I take this opportunity of thanking the Vice-Chairman and members of the Committee for the cordial support they have given me on all occasions necessitating heavy calls upon their valuable time, and the generous help and co-operation of which I have been the recipient during my term of office. When I tell you that during the year under report, we have had as many as 53 Committee meetings and 57 Sub-Committee meetings, not taking into account the deputation to Delhi, Simla and Poona, you will realise what calls have been made on the members of your Committee, and how generously they have served the Association.

I also take this opportunity of thanking our Secretary, Mr. T. Maloney, for his unsparing efforts during the year, and his assistant, Mr. J.P. Wadia, who acted for him during his absence in England, and all the staff of the Association for their loyal support and unstinted services.

Mr. A. GEDDIS, in rising to second the Motion, said:—

In rising to second the adoption of the Annual Report, I would like to make a few remarks on one or two subjects which are of importance to our Association.

Town Duty.

In the first place I would like to refer to the tax we pay in the shape of town duty, Re. 1 per bale of cotton. In the Preamble of the Act under which this duty is levied it is stated that the revenue from this town duty was required for the purpose of erecting 50,000 tenements for the labouring classes and on that clear statement our Association accepted the new taxation. In view of the extremely heavy taxation with which the industry is burdened credit must be given to our members for giving their support to the scheme. When introducing the Bill in the Legislative Council, Lord Lloyd (then H. E. Sir George Lloyd) stated that the estimated cost of 50,000 tenements was Rs. 5½ crores or Rs. 1,100 per tenement. Unfortunately the Development Department then got to work with the result that a reduced programme of 16,864 tenements had to be decided upon when they found they had spent Rs. 3½ crores on those 16,864 tenements or a cost of Rs. 2,084 per tenement. I will not say more at present on the work of the Development Department as we have a special Sub-Committee who have taken the matter up. What I wish to state, however, and most emphatically, is that the Government of Bombay have failed in their undertaking with us and consequently we have every ground for demanding that this new taxation be reduced. Government undertook to erect 50,000 tenements and instead have erected 16,864 and our taxation must be reduced in proportion. It is possible, I regret to say probable, that Government may not care to face this situation, but it is indisputable that having failed to fulfil their side of the contract they have no moral right whatsoever to the extra money that is now taken from the industry by this tax.

Millowners' Mutual Insurance Association, Ltd.

To turn to a more pleasing topic, I would now like to take the opportunity of congratulating the members on the success of their company, the Millowners' Mutual Insurance Association, Ltd. As you are aware, the origin of this company was the decision of the established insurance companies to charge a premium of 8 annas per cent. for cotton mill risks under the Workmen's Compensation Act. The Mutual Insurance Company then came into being and were ready to underwrite the risks at 4 annas per cent. It is noteworthy that our estimate of probable claims, which was rather ridiculed by our fire insurance friends at the time the company was formed, was borne out by the actual results and the nett balance in hand at the end of the year was approximately 50 per cent of the income. With such a result the members can feel well satisfied with the step that was taken.

Bombay Fire Insurance Association.

During the year as a result of representations and joint meetings with the Fire Insurance Association considerable reductions in insurance premia of fireproof mills have been obtained. It is regretted that it was not possible to obtain any reduction for non-fireproof mills, but your Committee were convinced from the figures supplied by the Fire Insurance Association that claims in respect of such mills for previous years had been so high that in fairness no reduction could be pressed for. On the whole the reduction for the fireproof mills amounted to about 25 per cent. which is satisfactory, but I very much question whether any reduction would have been secured if the moral support of our Mutual Insurance Association had not been at our backs.

Statistics Published by the Association.

There is one more subject, gentlemen, which I would like to mention. For many months a Special Sub-Committee has had under consideration the question of increasing the utility of the statistics published by the Association and by special arrangements with the Department of Commercial Intelligence and Statistics and the Bombay Custom Authorities more complete statistics will be published in future. I mention this matter as the new arrangements necessitated the cancellation of the previous arrangement under which the Chamber of Commerce tabulated statistics for our Association and thus the sole remaining link with the Chamber of Commerce has now been severed. For sentimental reasons we all regret the termination of our relations with the Chamber as one must when circumstances bring to an end a pleasant business relationship of so many years.

In conclusion, I would express to you my thanks for the honour you have done me in electing me your Chairman for the coming year. I must say, however, that I am unfortunate in that respect inasmuch as I follow Mr. N. N. Wadia whose efficient hard work for the Association for the past year has put the standard of the Chairman's work on a higher level than ever. You may rely on me, gentlemen, doing everything in my power to justify the confidence you have shown in me, and I feel I can rely on the same generous support from the gentlemen you have elected to serve on the Committee to help me to try to reach the standard that has been set by my predecessor.

In supporting the resolution, SIR VICTOR SASSOON, Bart., said:—

MR. CHAIRMAN AND GENTLEMEN,—I must thank the Chairman for his all too kind remarks on my representation made on your behalf before the Currency Commission and would like to take this opportunity of drawing closer attention to the question of foreign exchange as it affects our mill industry here in Bombay and the larger interests of India as represented by the agriculturists.

Foreign Exchange.

In rising to support the resolution, I feel inclined to take this opportunity of drawing attention to what has only been cursorily referred to this morning, and that is the question of foreign exchange as it affects our mill industry here in Bombay and the larger interests of India as represented by the agriculturist.

In attempting to obtain a proper perspective of the question, I must ask my hearers to keep before them the basic fact that when we give a rupee-sterling quotation, we must differentiate between the present conditions and the pre-war conditions when sterling and gold were synonymous, whereas at the present time the tendency is to compare the sterling exchange rate of, let us say, to-day with that of eighteen months or two years ago without fully realising that a new fact, the difference in the sterling-dollar rate, has come into being since the war.

When we are told that the 1*s.* 6*d.* rate of exchange has been established long enough in this country to justify making it a permanent feature, we must not forget that the inherent fallacy in this statement only becomes apparent when we take the gold value of the rupee and the fact being that the sterling rate of exchange has only been the same as the gold rate during the last 12 months, and that as early as last September, although the sterling rate was over 1*s.* 5*d.* the rupee had only come up to the 1*s.* 4*d.* gold rate.

The Committee of your Association have been asking that the 1*s.* 4*d.* gold rate should be the rate of exchange for this country, and I must emphasize that this does not prevent the sterling rate going up to even 2*s.* if sterling depreciates to that extent in relation to the gold dollar.

The effect to-day of the present rate of exchange is to give a 12½ per cent. preference to all imports of textiles except to those countries who buy cotton from India and re-export the product here, because of course, assuming the said rate of exchange, what they would benefit on exchange in the product is counterbalanced as far as the raw materials are concerned, when they import our cotton, but there is still a distinct advantage to them and this advantage is not only present when they export to us, but also when they export to countries such as the Near East and East Africa.

Members must not for get that the only reason that Bombay is the most important centre of the mill industry is due to it being a port when the mill product was exported to China. I am afraid that I can give you no hope that we can regain that part of our old trade as Japan has not only obtained an advantage over us in shipping to China, but China herself has, quite justifiably, built up a mill industry of her own, to cope with her own requirements. Unless we can compete for markets such as East Africa, Egypt and the Near East, we shall merely be struggling to get a portion of the home trade, at which we are obviously at a disadvantage when compared with up-country mills who are nearer to the source of raw material as well as markets. I think, gentlemen, that what I have just said will emphasize to you the vital importance to our industry, particularly to our Bombay industry, that the present rate of exchange of 1*s.* 6*d.* gold should be reduced to its pre-war level.

Now I would like to take the question up from another angle, that is from the point of view of the agriculturist. The agricultural interests of India approximate over 80 per cent. of the total, and our opponents try to maintain that any loss which the agriculturist suffers through having to accept a lower price for his products at the rate of 1*s.* 6*d.* instead of 1*s.* 4*d.* is counterbalanced by the cheaper rate at which he is buying his imports.

But I think you will admit that the agricultural ryot and labourer is not able to take advantage of such cheap imports as the largest part of his requirements, with the exception perhaps of matches and sugar, is satisfied by indigenous products, and when I point out that the increased value of his products landed in Calcutta of cereals and pulse is only 35 per cent. higher than it was in pre-war days—and you must not forget that the increase of 35 per cent. includes the increased charges he has to pay for transport and handling which have risen more than 35 per cent. since pre-war figures—I think you will find that he is actually getting to-day only about 30 per cent. more than he did before the war, whereas when he tries to buy our piece-goods he has until just lately had to pay from 100 to 150 per cent. more. Is it therefore surprising that his consumption of textile per head is much less than it used to be, being as it is 8 to 9 yards per head against 12 yards, which fact refutes the statement that the trouble of the Bombay industry lies in over-production. I maintain that if the agricultural interests were to receive for their products comparatively as much as we have to ask for our

goods, there would be not only no dimunition in the amount they take but an increase due to the increase of population which would more than justify our increased production of cloth. For that reason I maintain that the increase in return the agriculturist would get by a fall of exchange would not only be beneficial to him, but by increasing his buying power would be beneficial to all the indigenous industries in this country.

I would like here to deal with the argument that this country has now settled down to a 1*s.* 6*d.* exchange and that any alteration would cause a great deal of hardship. From what I know of the exchange position of the big commercial houses and banks, I am prepared to state, without fear of contradiction, that a drop in exchange would cause no financial crisis. Realising as I do, and you must, that wages and salaries have not gone down during the last 12 months during which time we have been enjoying a 1*s.* 6*d.* gold rate, I can say that no real hardship would be suffered by the wage-earning classes by losing an increase in wages which they have only received fortuitously, and as far as Government is concerned, I think it is pertinent to point out that when the Lee Commission recommended an increase in their emoluments, the increase was based at a time when the exchange rate worked out at about 1*s.* 3*d.* gold so that by giving effect to this recommendation now—and personally I am not one of those who consider it a bad principle for Government servants to receive an increase in their pay to allow for altered conditions—they have not only increased those extra emoluments by the 12½ per cent. through their exchange policy, but have increased the total original salary list plus the emolument by that amount. If this country had adjusted itself to the 1*s.* 6*d.* gold rate it would mean that the whole cost of the Public Services including the Army, would have been reduced by 12½ per cent. as far as wages and salaries at any rate are concerned. From Sir Basil Blackett's Budget speech, which we all have had the opportunity of studying during the last few days, we can see that this is not the case, so that the present exchange policy has not only failed to reduce the expenditure of Government, but has reduced the capital wealth of all the industries of India by 12½ per cent.

Gentlemen, I have perhaps taken up an undue proportion of your time and can only hope you will agree that the importance of the subject has warranted my doing so.

I have much pleasure in supporting the resolution.

The resolution was then put to vote and carried *nem con.*

On a motion by MR. N. B. SAKLATVALA, duly seconded by MR. H. P. MODY, it was resolved:—

"That Messrs. A. F. Ferguson & Co. be and are hereby appointed as the Auditors of the Association's accounts for the current year on the usual remuneration hitherto paid to the Association's Auditors."

It was then proposed by MR. S. D. SAKLATVALA and seconded by MR. H. H. SAWYER:—

"That the following donations be sanctioned and paid out of the Association's funds for the current year:

Rs. 2,000 to the Victoria Jubilee Technical Institute.
Rs. 1,000 to the Sydenham College of Commerce and Economics.
Rs. 1,000 to the Police Comforts Fund.
Rs. 750 to the Sir J.J. Hospital Nursing Association Fund.
Rs. 250 to the Goculdas Tejpal Hospital Nursing Association Fund.
Rs. 500 to the Bombay Textile and Engineernig Association.
Rs. 250 to the Adam Wylie Memorial Hospital."

On the motion of MR. J. A. KAY, a vote of thanks was accorded to the retiring Chairman for his very able conduct of the Association's affairs during the last year.

DINNER TO H. E. THE GOVERNOR OF BOMBAY.

On 4th March, 1926, His Excellency the Governor of Bombay and a distinguished gathering of prominent citizens of Bombay were entertained to dinner at the Willingdon Sports Club, by Mr. N. N. Wadia, the out-going Chairman of the Association.

On this occasion the representatives of the Millowners' Association and His Excellency the Governor of Bombay met officially for the first time since the Suspension of the Excise Duty and the Association publicly expressed its deep debt of gratitude to His Excellency and his Government for the part they had played in bringing about the suspension of the duty.

The principal speakers were Mr. N. N. Wadia, Chairman of the Association, who proposed the toast to His Excellency, and His Excellency, who replied on behalf of the guests. The two speeches in question are reproduced below *verbatim*.

MR. WADIA said:—

Your Excellency and Gentlemen,—I consider it a great privilege to have the honour of giving you the toast of His Excellency the Governor. The presence of His Excellency amongst us to-night as my guest in my capacity of Chairman of the Millowners' Association, confers on our Association and the industry in which we are concerned, an unique honour which we shall remember, and shows an appreciation of the important part our industry plays in the life and work of the City of Bombay and the Presidency.

Gentlemen, during last year, while I had the honour of being the Chairman of this Association, we have passed through strenuous times. Dark clouds hovered over our industry which has been passing through untold difficulties owing to foreign competition, unfair in its incidence owing to various causes. As a consequence stocks of yarn and piece-goods increased greatly. The combination of untoward circumstances eventually forced the Association to the necessity of giving notice of a cut in the wages of the workers, which, as you know, resulted in a general strike lasting over two and a half months. To the Committee of our Association who were watching the position day after day, it was serious enough, and I know for Your Excellency and your Government also it was a time of anxiety and worry, because no Government could contemplate with equanimity a commercial catastrophe of the magnitude which the strike caused, and it must have been extremely difficult to avoid the charge of bias in favour of one side or the other. However, I feel sure that I am voicing the feelings and sentiment of my Committee and the members of our Association when I say that Your Excellency's Government in those difficult times kept a fair and open mind, collecting the views of leaders of workmen as well as those of the masters, and although at times it seemed that both sides were intractable, Your Excellency's Government retained the confidence of both. I am glad, if for nothing else, that the strike opened the eyes of the public to what was at stake, why the industry was in such a depressed state, and why the Association was forced to make a cut in wages. Your Excellency is well aware that the Committee of our Association promised to Your Excellency, and repeated that promise afterwards to the leaders of workmen, that as soon as some relief was forthcoming, either in the shape of the repeal of the excise duty, or owing to other legislative action, or by an improvement in trade, our Association would immediately restore the cut. In spite of that promise which Your Excellency well understood, it is regrettable that the leaders of men should have directly encouraged the strike although it was universally recognised that the position of the industry was precarious. Your Excellency played a great and prominent part in that controversy, and on behalf of my Association, I desire to thank you personally for the open mind which you kept.

A great event during my year of office and, of course, it is a satisfaction to me that it did occur in my term of office, was the suspension of the cotton excise duty, which is now to be followed by its final repeal as may be seen from the Budget statement. This duty had always been regarded as a great historic wrong by all sections of the Indian nation, and its

abolition is a great but somewhat tardy act of justice to the cotton industry of India, which shows true statesmanship on the part of the Secretary of State and the Viceroy. But, Sir, if it had not been for the strenuous and continuous efforts which Your Excellency made to persuade the Government of India and the Secretary of State to help the industry by the repeal of this duty, perhaps we would not have been able to carry the day. As I said before, and I trust I am not betraying official secrets, Your Excellency's efforts were not confined solely to the usual official channels and red tape procedure in the cause of our industry. For these special services, I take this opportunity of tendering to Your Excellency on behalf of my Association our heartfelt thanks.

From the publications which our Association have issued and from what I have said from time to time, you will have appreciated why and in what way, we have suffered from competition of Japan. At the Jubilee Dinner last year, when I spoke about this competition, everybody thought that I was making mountains out of mole-hills and there was really no need for alarm. To-day the seriousness of that competition and the causes which have brought it about are more fully realised by the general public in India and in England. This competition, as I have often said, was due to the conditions of labour in Japan, their double-shift working, a depreciated yen exchange and indirect subsidies. In spite of Japan's representatives having agreed to the Washington Labour Convention in 1919, that country still employs women and children at night in two shifts, works her mills 22 hours a day. Nearly 7 years have elapsed since they agreed to this Convention, and it is apparent from the correspondence we had lately with the Japanese Cotton Spinners' Association that Japan has no intention of doing away with women labour in their mills at night until the 31st August, 1931, at the earliest, which is 12 years after their representative had agreed to do. On the other hand, the Government of India in strict observance of the Conventions amended the Indian Factory Act and put it into force in 1922. From the official statistics and those of the Japanese Cotton Spinners' Association, it may be seen that in 1924 the cotton mills belonging to the Japanese Cotton Spinners' Association employed the following number of workers :—

		Men.	*Women.*
Spinning	.. ..	38,225	127,853
Weaving	.. ..	8,158	43,527
	Total ..	46,383	171,380

This means that they are employing about four times as many women as men. If therefore the night work for women was abolished in Japan, it is clear that the mills could only work one shift. It is a recognised principle all over the world that women should not be employed in industrial concerns at night, but in spite of this accepted principle, Japan makes no effort to abolish night work. Mr. Sasakura, a gentleman prominently connected with the Japanese cotton trade in Bombay, has told us, and the information is confirmed in a pamphlet just issued by a Mr. Row, that in Japan girls work in factories for some years to earn enough money to provide their marriage dowries. We are asked to believe that these poor women enjoy the privilege of being allowed to work in factories for eleven hours at night. If this is the case I should like to ask why the awful recruiting system in vogue in Japan has become necessary ? From Mr. Row's statement, it would seem that women flock willingly to the factories, whereas we know on the most reliable authority that it is only by the most specious promises, and by going further and further afield each year that the recruiting agents can obtain sufficient labour to keep the cotton mills running.

One of the other causes of our troubles, *viz.*, the depreciated yen exchange, may come right. The views of my Committee in regard to this problem have been submitted to the Royal Commission on Currency which is at present pursuing its investigation, and I do not wish to say anything further on this point except that in consequence of the depreciation of the yen in terms of sterling and the rupee, our industry has been adversely affected for the past three years.

As regards subsidies, I think all of you know how these are given directly or indirectly, and I need not labour the point here. I repeat, on behalf of my Association, what we have always maintained, that we do not require protection in the sense it is generally understood.

If only Japanese mills will abolish night work for women, and observe the Washington Conventions which had been observed in India since the beginning of 1922, and if can we be assured of fair competition, then our industry is not likely to ask the Government of India for any adventitious help in the shape of higher import tariffs on yarn and piece-goods. We can stand on our own legs and are prepared to face fair competition from any country in the world in the Indian market.

It is now abundantly clear that the Japanese shippers and manufacturers are perturbed and anxious because we have discovered the fundamental basis of their unfair competition, and latterly have issued many statements with the object of defending themselves. They claim that they do not work more than 10 hours. I have the official figures issued by the Japanese Cotton Spinners' Association to prove that the statement which they have telegraphed from Osaka is not correct. They state that their women labour is paid higher than in India. As the *Times of India* so ably stated the other day, it depends what exchange they calculate in making comparisons, and also on the cost of living index which they take into account.

The only other remark I have to make is, that from the figures I have been able to gather, the cost of labour per lb. of yarn or cloth produced is far less in Japan than in India, and from this alone they have an advantage of over 11½ per cent.

Your Excellency and gentlemen, as I said last year, dark clouds still hang over our industry, but to-day I am glad to say as I lay down my office as Chairman of the Association, I see a silver lining through these clouds. I see that trade is improving, and given a fair chance, our industry can and will emerge into prosperous times. This has been partly due to the rise of the Japanese exchange and partly to the diminution of stocks during the strike. But I do appeal, as Your Excellency has also done from time to time, that there should be a better feeling between we masters and our workmen. Both are concerned in the well-being of the industry which cannot thrive without the fullest co-operation. Labour leaders should recognise that our interests are identical, and we can both thrive only if we co-operate and make the welfare of the industry one common cause.

I am afraid that a lot of irrelevant arguments were used during the last strike by our friend Mr. Joshi and others. If he had only realised the position and had to face, as we had, what undoubtedly was a very severe crisis for the industry, he would have tried to avoid the strike. Mr. Joshi in my opinion also lost a great opportunity when he was asked to protest against the unfair competition against India caused by the inferior conditions of labour in Japan, at the International Labour Conference at Geneva last May. He made a lukewarm speech, and did not press with all his emphasis the cause of the workers in India whom he proposes to lead. If Mr. Joshi instead of making unfair charges against the masters, had made an honest endeavour to reduce absenteeism and increase the efficiency of our labour, he would have enabled us to meet the Japanese competition to a certain extent. That a vast improvement was possible has been proved since the strike ended. During the last 3 months the men have been working hard, and absenteeism has been reduced from 11 per cent. to 3 per cent. and the efficiency of the workers has increased all round in an endeavour to make up the wages lost during the strike. If labour continues to improve in efficiency then I am sure there will be no need in future to reduce wages. I therefore, say, let us co-operate, preserve the industry that we have got, the largest indigenous industry of this country, for it is only by the continued prosperity of the cotton industry that this great city of Bombay, and the Presidency can thrive. People have realised to some extent during the past year that the prosperity of most other industries and businesses in this Presidency depends on the prosperity of the cotton textile industry. Your Excellency took a prominent part in trying to help us last year, and I feel sure that your Government will in the future do whatever lies in your power to assist our industry.

My successor, Mr. A. Geddis, assumes office to-morrow under much pleasanter conditions than I did last year, and I hope that in his year of office we shall see a return of the good times towards which we have been striving for the last two years.

With these remarks, gentlemen, I give you the toast of His Excellency Sir Leslie Wilson, Governor of Bombay.

HIS EXCELLENCY THE GOVERNOR replied as follows :—

Mr. Wadia, and gentlemen,—I am extremely grateful to you, gentlemen, for the most kind manner in which you have received the toast of my health, and, as I believe there are to be no further speeches to-night, may I, in thanking you myself, Mr. Wadia, for your great and generous hospitality, express on behalf of the many guests gathered round this table our most sincere thanks for your great kindness in asking us all here this evening.

Since I arrived in Bombay, now more than two years ago, it has been my pleasure to meet the members of the Millowners' Association on various occasions, and for many different purposes. Last year I had the opportunity of being present at the Jubilee Dinner of the Association ; I have been present, at your invitation, at your Association meetings, and on occasions very numerous I have met the representatives of the Association when we have sat round a table and discussed difficulties which have arisen out of industrial troubles connected with the great industry which the Association represents. I am therefore beginning to think that I know enough about the Millowners' Association to qualify for membership,—but I fear that is not a practical proposition, as I presume membership would involve the ownership of a mill, or of a very large portion of one, and I rather understand, from the closing passage of your speech, sir, that in these days, when a glimpse of sun is showing itself through the dark clouds of depression, there would be no owners willing to part with a share of their property !

This is, however, the happiest of all the occasions when I have sat at table with the representatives of this great industry—an occasion when the words of Sir Basil Blackett, spoken last Monday, are still ringing in our ears. Those words in connection with the Cotton Excise Duty are worth repeating. Sir Basil said, " The patient, namely, the Cotton Excise Duty, died on December the 1st, 1925, and it only remains for us to assist at his obsequies and give the corpse a decent interment. We have no need to fear even its unlamented ghost. No miracle can restore it to life at this time other than some unthinkable accident in the passing of a Finance Bill."

Truly, the corpse is unlamented, and we, in Bombay, rejoice indeed that our protests of many years have at last been heeded, and that a tax, unfair in its incidence, and a grave handicap to trade, has for ever disappeared.

I am grateful indeed for your most kind remarks as to anything the Government of Bombay or I may have done to hasten the timely end of the patient, and, in any action which we have taken, we have, I think I may say, pursued a most unselfish course, when we might have claimed that the first consideration to be given to Bombay should be the removal of the Provincial Contribution paid by the Presidency—a contribution which, to my mind, is equally unfair in its incidence as the Cotton Excise Duty, based, as it is, on arguments which have no foundation whatever. Had we taken this course we might to-day be rejoicing with those who rejoice—with Madras, with the U.P., the Punjab, Burma, and Bengal —instead of having to be satisfied, so far as the provincial revenue of Bombay is concerned, with the cold comfort contained in another statement of the Finance Member, when he said that the time of the other provinces will come, but meanwhile the tax-payers, if not the Government of the Province of Bombay, secure the benefit of the repeal of the Cotton Excise Duty. As a reward for this great act of self-sacrifice on behalf of the Government of Bombay, I feel sure that we can look to those who have benefited to assist an impoverished Government in every way they can, and more particularly by aiding those schemes supported by Government, and initiated for the well-being of the people of the Presidency.

One of the most remarkable features of the removal of the Cotton Excise Duty has been what I think I may term the friendly attitude of Lancashire. When speaking at the Jubilee Dinner, I said, then, as much as I felt justified as to how the repeal of the duty would be received there. I have many old friends in Manchester and Liverpool, with whom I keep up a regular correspondence, and I am quite sure that the present attitude of Lancashire is that there is room for Lancashire as well as room for India's productive development, and that both Lancashire and India can march together in sympathy and friendly competition. I have been assured, more than once, that one of the principal reasons why Lancashire gave

so friendly a reception to the announcement of the suspension of the duty—a reception entirely different to that which could have been expected a few years ago—is not only due to the fact that feelings have considerably changed in Lancashire, but also due to the fact that our host to-night spent a considerable time in Manchester in the latter half of last year, and enlisted, so I am informed, by his persuasive eloquence and sound knowledge of facts, a great deal of sympathy for India's views and India's position on this once thorny and acrimonious question. To him, gentlemen, you owe a deep debt of gratitude, deeper perhaps than you may have realised.

You, sir, have dealt at considerable length with the subject of Japanese competition. I think the times are changing very much, and those who, in years gone by, called themselves rigid Free Traders or adamant Protectionists, are beginning to agree—and there are many evidences of this, both here and in England—that every proposal must be regarded on its merits ; and any proposal affecting an industry such as the cotton industry should be dealt with as your Chairman has suggested, namely, that such industry in each country should only have to face fair competition, and that in India this great indigenous industry should be put on those terms which would enable it, after carrying out, as you have done, the decisions of the Washington Labour Convention, to meet its competitors in any part of the world, not handicapped, as it is to-day, by competition from others who have not taken a similar action. I cannot help thinking that a full investigation of the case which can be put forward by Bombay will strengthen the arguments which you, Mr. Wadia, have used to-night for that fair competition for your industry, and then, as you say yourself, you have no doubt that the Bombay mills can safely stand on their own legs.

It was with particular pleasure that I listened to the latter part of your speech. Bombay has indeed been passing through a period of serious depression, but I echo your view that there are signs of an improvement in trade, and that there are considerable hopes of more prosperous times ahead. In a great industry such as yours, good feeling between masters and operatives is essential ; in fact, in all great industrial undertakings, labour is as essential to capital as capital is to labour. It is good news indeed that, during the last three months, absenteeism has been reduced from 11 per cent. to 3 per cent. and that the efficiency of the workers has increased all round ; and it is better news still, as it will be to the many operatives employed in Bombay, to hear that, if this improvement in efficiency continues, you are sure that there will be no need, in future, to reduce wages. In all labour questions here in India, there are many more difficulties to compete with than there are in England, but if the operatives realise that it is your sincere desire, as you have said, sir, to co-operate with them in preserving and improving this great industry, I cannot believe that they will not do their share, and play their part in the further improvement and progress of an industry on which the prosperity of this Presidency so much depends.

Mr. Wadia, I congratulate you very sincerely on your term of office. To-morrow, you will cease to be Chairman, and you will hand over your important position to your successor, Mr. Geddis. You leave the Chair with the Association far more happy, and more hopeful as to the future, than it was when you went into it. This, as I have said before, is due in no small measure to your own personal efforts. I know that every member of the Association is indeed grateful to you for what you have done, and, in thanking you again to-night for your delightful hospitality and the extremely kind remarks you have made in your speech, I echo your hope that, during your successor's year of office, we shall see better times, and therefore a greater happiness to all those who play their part in maintaining and building up this, the greatest of the indigenous industries of India.

Bombay Millowners' Association.

Section II.

REPORT FOR THE YEAR 1925.

REPORT

OF THE COMMITTEE OF THE

BOMBAY MILLOWNERS' ASSOCIATION

For the Period 1st January to 31st December, 1925.

FOREWORD.

IN reviewing the year 1925, we have to record yet another year of heavy losses for the Textile Industry. The year commenced with absolutely no sign of improvement in the extremely depressed conditions of trade which had prevailed during the latter part of the preceding year. Stocks of cloth and yarn which were already heavy began to mount up gradually and rose to alarming proportions in the month of June. Prices were cut down to their lowest level and mills were anxious to sell even at a loss but the succeeding two months saw no change in the situation. As the year progressed it became evident that at the prices prevailing there was no escape for the industry as a whole from severe losses. These conditions not only continued practically throughout the year but steadily grew worse. Naturally, at such a period strenuous efforts were made by those connected with the industry to extricate it from the difficulties confronting it. Economies were effected by individual mills as far as possible in the internal working of the mills; agitation for the removal of the Excise Duty was continued as in the previous year; the attention of the public and the Government was specially directed towards the very unfair competition from Japan owing to her depreciated exchange and sweated labour; however, no immediate relief was obtained although it may be confidently hoped that these steps will ultimately lead to the betterment of the industry. Even the much-discussed Excise Duty was not suspended till the close of the year. As a last resort and as no other remedy was in sight and with a view to prevent the entire closing down of several mills it was resolved to reduce wages by 11½ per cent. from 1st September, and notices were accordingly put up at all the mills at the end of July. This cut was resisted by the operatives and resulted in a strike of unprecedented duration. This long-drawn-out struggle terminated only with the announcement by H. E. the Viceroy that the Excise Duty was suspended with a view to its final abolition at the next session of the Legislative Assembly. This strike served not only to inflict further

heavy losses on the industry struggling for its very existence but was instrumental in causing an equally heavy loss to the operatives themselves. It is greatly to be regretted that the Government of India did not see their way to accept the Assembly's vote in September for the suspension of the duty when these further unnecessary losses might have been prevented.

The Cotton market opened in January with Broach April/May quoted at Rs. 454 and New York May at 24.44 cents. The market advanced steadily till about the middle of March when Broach reached nearly Rs. 490 and New York nearly touched 26 cents. From this point it began to steadily decline, and the market fluctuated between Rs. 450 and Rs. 470 till the middle of May, when the price dropped to Rs. 427 and American to under 22 cents. This was followed by a slight rise and the old contract closed at Rs. 444. The new contract opened on 2nd June at Rs. 414 with a weak tendency and fell to nearly Rs. 400 in the same month, after which there was again a rally, prices reaching the high level of Rs. 445 during the third week of September, in sympathy with Americans which again rose to nearly 24.50 cents. From this point prices began to decline steadily with considerable intermediate fluctuations, the closing rate at the end of the year being Rs. 365 and round about 20 cents for American.

Owing to the untimely rains in Berar referred to in the previous report there was a squeeze in the Oomra contract which commanded, in the middle of January, a premium of Rs. 15 over Broach April/May contract. Oomra March was at one time quoted at the same price as Broach. Owing to the scarcity of tenderable cotton against Oomra contract, the Board of the East India Cotton Association prohibited trading in Oomra for May delivery.

Another important decision of this Association has made black leaf cotton tenderable from the season 1925-26 against contracts at a discount of Rs. 6. This is expected to prevent the squeeze that occurred in the previous season owing to the lack of red leaf tenderable cotton in the market.

The American crop of the season 1925-26 has been large with a considerable proportion of low grade cotton obtainable at good discounts. Indian cotton was till about the end of November very high in price compared to American, and purchases by Japanese and European shippers were therefore not large. Indian prices have since adjusted themselves on a parity with American, but it is feared a large portion of the inquiry that would have come to India normally has been transferred to low grade Americans. Towards the end of the year Japanese shippers appeared to be more active. Owing to the depressed condition of the local cotton industry, local mills have been covering their requirements from time to time as necessity arose.

The position in the Yarn market remained unsatisfactory and uninteresting all through the year. Prices continually declined and were at the end of the year 2½ and 3 annas below the rates ruling at the beginning of the year for 10s and 20s. It was only during the strike period that prices hardened slightly, rising by about half an anna from the lowest point reached previously, 10s and 20s being then quoted at 11½ and 14 annas, respectively, until at the end of the year these prices had fallen to 10¾ and 12¾ annas. The off-take was very poor and stocks reached their highest point in June and were only reduced during the last two months of the year.

Turning to the state of the Cloth market, the year was remarkable for the steady decline in the price of cloth right to the end of the year. At the commencement of the year the average price of standard longcloth was Rs. 1-5-0 which was reduced to Rs. 1-4-9 by the end of January. In another month it was further reduced to Rs. 1-4-6 and this rate was maintained till the end of April, chiefly owing to the upward tendency of the Cotton market during the period. A rapid decline set in since and prices were reduced in the month of May to Rs. 1-4-0 and finally to Rs. 1-3-9. In the following month there was a gradual reduction of 3 pies per lb. every week so that at the end of June the rate stood at Rs. 1-2-9. Although this rate was unremunerative it had to be further reduced to Rs. 1-2-6 in the following month and to Rs. 1-2-3 by the end of August. At the beginning of September the rate stood at Rs. 1-2-0 per lb., but owing to the strike in the middle of September prices firmed a bit and the quotation during October was round about Rs. 1-3-0 per lb. However, as the off-take in spite of the strike remained poor the price was again reduced gradually to the old level and at the end of November stood at Rs. 1-2-0 or just the level at which it stood before the strike. Mills nominally started work during the first week of December but it was not before the end of the month that full work was resumed. In the interval prices had to be reduced by another half anna per lb. and the rate at the close of the year stood at Rs. 1-1-6. The price of cloth, thus on the whole, declined steadily without any relieving feature during the year.

Exchange was steady around 1*s.* 6*d.* till the end of February, after which there was a small fall continued into the middle of April, when it reached its lowest rate of 1*s.* 5 25/32*d.* After this there was an upward move until it reached 1*s.* 6 5/32*d.*, around which level it remained till the end of the year.

COTTON CROP, 1925-26.

The **total area** in all territories reported on is now computed at **27,835,000 acres,** which marks a net increase of **1,034,000 acres or 3·8 per cent.** on **26,801,000 acres** (revised figures) at this time last year.

The **total estimated outturn** is **6,051,000 bales** of **400 lbs.** each as against **6,091,000 bales** (revised figures) for last year, representing a decrease of **40,000 bales** or **1 per cent.**

The following statement (taken from the *Indian Trade Journal*) compares the figures for the last two years (figures are in thousands of bales of 400 lbs. each):—

APPROXIMATE CROPS.

	YEAR ENDING 31ST AUGUST.	
	1925.	1924.
Exports to United Kingdom	216	288
„ to Continent	1,245	1,447
„ to Far East	2,490	1,654
„ to Other Countries	47	61
Total ..	3,998	3,450
Home Consumption—*		
Mills	2,174	1,846
Extra Factory or Local	750	750
Total ..	2,924	2,596
Grand Total ..	6,922	6,046
Less Imports	96	100
Approximate Crop	6,826	5,946
Estimated in forecast	6,091	5,161
Excess (Neglecting 'carry over')..	+ 735 or 12·1 per cent.	+ 785 or 15·2 per cent.

* Conventional Estimates.

YARN PRODUCTION.

The quantity of Yarn produced in India during the official year 1924-25 amounted to **719,389,994 lbs.** as against **617,328,632 lbs.** during the previous 12 months or an increase of **102,061,362 lbs.** or **16·53 per cent.** Of this amount **409,547,678 lbs.** were consumed in the production of **458,693,400 lbs.** cloth and **36,532,102 lbs.** were exported to Foreign Countries.

—*Monthly Statistics of Spinning and Weaving.*

YARN EXPORTS.

Exports of Indian Yarn from India to Foreign Countries during the official year 1924-25 amounted to **36,532,102 lbs.** as against **38,531,288 lbs.** in 1923-24, showing a decrease of **1,999,186 lbs.** or **5·18 per cent.** The quantity exported during the first 10 months of the official year **1925-26** amounted to **26,298,073 lbs.** as compared with **30,147,497 lbs.** in 1924-25, showing a decrease of **3,849,424 lbs.** or **10 per cent.**

—*Monthly Accs of Sea Borne Trade and Navigation of British India.*

CLOTH PRODUCTION.

The production of Cloth in India during the official year 1924-25 amounted to **1,970,446,852 yards** as against **1,701,574,355 yards** in 1923-24, showing an increase of **268,872,497 yards** or **15·80 per cent.** The exports to Foreign Countries during the official year 1924-25 compared with 1923-24 show an increase of **16 million yards** and with 1922-23 also an increase of **24½ million yards.**

	Yards.
1908-09	77,988,964
1909-10	94,137,558
1910-11	99,788,315
1911-12	81,429,410
1912-13	86,512,812
1913-14	89,233,716
1914-15	67,194,430
1915-16	113,465,214
1916-17	263,845,251
1917-18	189,449,666
1918-19	149,088,495
1919-20	196,554,975
1920-21	146,364,793
1921-22	160,966,778
1922-23	156,951,235
1923-24	165,328,567
1924-25	181,511,120
1925-26(10 months) ..	137,890,248

Production of Yarn and Cloth in India from 1st January to 31st December 1925 :—

Yarn—

	Lbs.
1925	683,427,105
1924	647,196,195
Increase ..	+ 36,230,910
or	11·6 %

Cloth—

	Yards.	Lbs.
1925	1,908,663,561	452,816,084
1924	1,841,125,420	429,705,738
Increase ..	+ 67,538,141	+ 23,110,346
	or 3·6 %	or 5·4 %

PROGRESS OF THE MILL INDUSTRY.

The following statements show the progress of the Mill Industry in the Island of Bombay, as also in the whole of India :—

BOMBAY ISLAND.

Year ending 30th June.	Number of Mills.	Number of Spindles.	Number of Looms.	Average No. of Hands employed daily.	Approximate Quantity of Cotton consumed.	
					Cwts.	Bales of 392 lbs.
1897	75	2,187,425	21,287	69,530	2,459,646	702,756
1898	82	2,226,982	21,379	70,728	2,860,648	817,328
1899	82	2,410,861	22,209	77,169	3,327,800	950,800
1900	82	2,536,891	22,215	72,914	2,606,800	744,800
1901	81	2,571,092	22,414	82,162	2,435,153	695,758
1902	80	2,523,769	22,845	86,122	3,455,823	987,378
1903	80	2,533,382	23,125	86,913	3,451,798	986,228
1904	79	2,534,230	24,136	89,915	3,404,569	972,734
1905	81	2,560,916	28,073	92,924	3,753,582	1,072,452
1906	84	2,614,323	28,778	100,798	3,994,424	1,141,264
1907	85	2,613,483	31,982	98,101	3,905,125	1,115,750
1908	86	2,734,683	35,967	101,536	3,777,179	1,079,194
1909	89	2,800,345	39,264	105,751	3,845,464	1,098,704
1910	89	2,824,046	41,931	104,550	3,444,203	984,058
1911	87	2,890,590	42,467	104,500	3,337,075	953,450
1912	86	2,885,452	43,388	109,691	3,771,656	1,077,616
1913	90	2,925,966	45,250	110,033	3,752,735	1,072,210
1914 (year ending 31st August).	85	3,009,172	48,845	109,860	3,773,133	1,078,038
1915 do. ..	86	2,994,367	51,846	111,924	3,591,175	1,026,050
1916 do. ..	86	2,984,575	53,205	118,303	3,836,609	1,096,174
1917 do. ..	87	2,933,715	57,921	125,713	3,971,849	1,134,814
1918 do. ..	87	2,882,648	59,162	124,199	3,739,722	1,068,492
1919 do. ..	85	2,934,476	60,778	126,368	3,499,146	999,756
1920 do. ..	83	2,964,526	60,634	140,208	3,350,025	957,150
1921 do. ..	83	3,025,488	62,763	147,740	3,712,093	1,060,598
1922 do. ..	82	3,117,284	65,521	149,224	3,759,693	1,074,198
1923 do. ..	81	3,349,082	68,946	148,771	3,708,705	1,059,630
1924 do. ..	82	3,427,621	71,133	148,414	2,875,131	821,466
1925 do. ..	82	3,456,233	72,263	153,009	3,481,562	994,732

ALL-INDIA.

Year ending 30th June.	Number of Mills.	Number of Spindles.	Number of Looms.	Average No. of Hands employed daily.	Approximate Quantity of Cotton consumed.	
					Cwts.	Bales of 392 lbs.
1897	173	4,065,618	37,584	144,335	4,553,276	1,300,936
1898	185	4,259,720	38,013	148,964	5,184,648	1,481,328
1899	188	4,728,333	39,069	162,108	5,863,165	1,675,190
1900	193	4,945,783	40,124	161,189	5,086,732	1,453,352
1901	193	5,006,936	41,180	172,883	4,731,090	1,351,740
1902	192	5,006,965	42,584	181,031	6,177,633	1,765,038
1903	192	5,043,297	44,092	181,399	6,087,690	1,739,340
1904	191	5,118,121	45,337	184,779	6,106,681	1,744,766
1905	197	5,163,486	50,139	195,277	6,577,354	1,879,244
1906	217	5,279,595	52,668	208,616	7,082,306	2,023,516
1907	224	5,333,275	58,436	205,696	6,930,595	1,980,170
1908	241	5,756,020	67,920	221,195	6,970,250	1,991,500
1909	259	6,053,231	76,898	236,924	7,381,500	2,109,000
1910	263	6,195,671	82,725	233,624	6,772,535	1,935,010
1911	263	6,357,460	85,352	230,649	6,670,531	1,905,866
1912	268	6,463,929	88,951	243,637	7,175,357	2,050,102
1913	272	6,596,862	94,136	253,786	7,336,056	2,096,016
1914 (year ending 31st August).	271	6,778,895	104,179	260,276	7,500,941	2,143,126
1915 do. ..	272	6,848,744	108,009	265,346	7,359,212	2,102,632
1916 do. ..	266	6,839,877	110,268	274,361	7,692,013	2,197,718
1917 do. ..	263	6,738,697	114,621	276,771	7,693,574	2,198,164
1918 do. ..	262	6,653,871	116,484	282,227	7,299,873	2,085,678
1919 do. ..	258	6,689,680	118,221	293,277	7,154,805	2,044,230
1920 do. ..	253	6,763,076	119,012	311,078	6,833,113	1,952,318
1921 do. ..	257	6,870,804	123,783	332,179	7,420,805	2,120,230
1922 do. ..	298	7,331,219	134,620	343,723	7,712,390	2,203,540
1923 do. ..	333	7,927,938	144,794	347,380	7,530,943	2,151,698
1924 do. ..	336	8,313,273	151,485	356,887	6,712,118	1,917,748
1925 do. ..	337	8,510,633	154,202	367,877	7,792,085	2,226,310

The undernoted figures show the **quantity of yarn produced in Bombay** during the years 1905 to 1925 :—

Year ending 30th June.	*Yarn produced.	Cotton. Mill Consumption.	Cotton. Exports.	Cotton. Arrivals.
	† Bales.	§ Bales.	§ Bales.	§ Bales.
1905	8,33,858	10,72,452	10,47,721	26,09,012
1906	9,73,449	11,41,264	14,93,872	26,63,208
1907	9,26,649	11,15,750	19,15,702	29,48,993
1908	8,82,879	10,79,194	11,85,177	21,22,754
1909	8,94,115	10,98,704	13,66,570	21,66,281
1910	8,25,197	9,84,058	20,25,165	31,51,905
1911	8,01,068	9,53,450	16,82,430	24,67,176
1912	8,19,102	10,77,616	13,06,153	25,39,826
1913	9,09,202	10,72,210	14,73,876	27,74,311
1914 (year ending 31st August)	8,87,561	10,78,038	25,70,615	37,39,409
1915 do. do.	8,05,383	10,26,050	18,61,317	26,88,423
1916 do. do.	9,41,857	10,96,174	19,93,235	31,38,528
1917 do. do.	8,89,748	11,34,814	16,30,455	31,20,347
1918 do. do.	8,93,221	10,68,492	15,13,147	23,06,445
1919 do. do.	7,65,475	9,99,756	10,90,854	25,43,033
1920 do. do.	7,94,297	9,57,150	22,31,751	34,27,024
1921 do. do.	8,56,141	10,60,598	19,00,919	28,78,716
1922 do. do.	8,71,736	10,74,198	25,92,445	34,62,479
1923 do. do.	8,70,248	10,59,630	29,89,993	36,41,287
1924 do. do.	6,73,966	8,21,466	27,14,849	32,91,494
1925 do. do.	8 18,857	9,94,732	27,67,271	36,34,164

* Year ending 31st March. † Bales of 400 lbs. § Bales of 3½ cwts.

Below is a comparative statement of **Cotton Consumption, Yarn and Cloth Production in India** for a series of years :—

12 months ending 31st March.	Cotton. † Mill Consumption. Cwts.	Cotton. F.-P. Bales of 3½ cwts. each.	Yarn. Production. Cwts.	Yarn. Bales of 400 lbs. each.	Cloth. Production. Yards.	Cloth. Production. Lbs.
1899 ..	58,63,165	16,75,190	45,74,867	12,80,962	35,57,09,050	10,16,89,943
1900 ..	50,86,732	14,53,352	45,87,708	12,84,558	32,94,23,397	9,80,64,807
1901 ..	47,31,090	13,51,740	31,51,563	8,82,437	34,11,76,942	9,87,47,566
1902 ..	61,77,633	17,65,038	51,15,519	14,32,345	40,97,44,993	11,96,50,685
1903 ..	60,87,690	17,39,340	51,44,951	14,40,586	40,63,16,717	12,27,74,014
1904 ..	61,06,681	17,44,766	51,57,338	14,44,054	46,05,54,273	13,80,44,172
1905 ..	65,77,354	18,79,244	51,64,118	14,45,953	54,95,29,065	15,87,46,555
1906 ..	70,82,306	20,23,516	60,79,630	17,02,296	56,49,90,190	16,38,80,194
1907 ..	69,30,595	19,80,170	58,36,611	16,34,251	70,81,39,874	16,57,67,858
1908 ..	69,70,250	19,91,500	56,99,063	15,95,738	80,84,26,561	18,90,51,679
1909 ..	73,81,500	21,09,000	58,64,556	16,42,075	82,44,89,164	19,23,64,697
1910 ..	67,72,535	19,35,010	56,01,484	15,68,410	96,38,69,482	22,88,24,078
1911 ..	66,70,531	19,05,866	54,45,778	15,24,318	1,04,27,41,653	24,58,14,873
1912 ..	71,75,357	20,50,102	55,80,626	15,62,575	1,13,61,51,590	26,66,44,181
1913 ..	73,36,056	20,96,016	61,47,079	17,21,182	1,22,04,42,545	28,54,71,002
1914 ..	*75,00,941	21,43,126	60,96,222	17,06,942	1,16,42,91,588	27,43,88,550
1915 ..	*73,59,212	21,02,632	58,21,291	16,29,961	1,13,57,07,952	27,70,05,900
1916 ..	*76,92,013	21,97,718	64,50,219	18,06,061	1,44,15,14,550	35,22,54,554
1917 ..	*76,93,574	21,98,164	60,81,314	17,02,768	1,57,81,32,789	37,77,28,816
1918 ..	*72,99,873	20,85,678	58,97,996	16,51,439	1,61,41,26,458	38,14,04,170
1919 ..	*71,54,805	20,44,230	54,91,432	15,37,601	1,45,07,26,160	34,95,80,450
1920 ..	*68,33,113	19,52,318	56,76,430	15,89,400	1,63,97,79,227	38,38,46,936
1921 ..	*74,20,805	21,20,230	58,92,880	16,50,006	1,58,08,49,746	36,74,81,791
1922 ..	*77,12,390	22,03,540	61,92,604	17,33,929	1,73,15,73,296	40,35,20,881
1923 ..	*75,30,943	21,51,698	63,02,621	17,64,733	1,72,52,84,187	40,52,53,739
1924 ..	*67,12,118	19,17,748	54,34,174	15,21,569	1,70,15,74,355	40,16,60,958
1925 ..	*76,92,085	22,26,310	64,23,125	17,98,475	1,97,04,46,852	45,86,93,400

* Year ending 31st August. † Year ending 30th June.

Shipments of Country-made Piece-Goods from Bombay to China and Japan :—

Period.	China.		Japan.		Total.	
	Packages.	Yards.	Packages.	Yards.	Packages.	Yards.
From 1st Jan. to 31st Dec. 1877..	10	14,400	--	....	10	14,400
Do. do. 1878..	1,206	14,99,334	58	1,13,528	1,264	16,12,862
Do. do. 1879..	296	3,65,640	5	8,400	301	3,74,040
Do. do. 1880..	1,553	18,90,685	110	1,32,000	1,663	20,22,685
Do. do. 1881..	144	1,68,139	2	5,250	146	1,73,389
Do. do. 1882..	573	7,13,237	20	36,714	593	7,49,915
Do. do. 1883..	1,875	21,88,770	452	5,65,953	2,327	27,54,723
Do. do. 1884..	1,595	17,70,662	16	25,187	1,611	17,95,849
Do. do. 1885..	2,303	37,12,273	6	5,376	2,309	37,17,649
Do. do. 1886..	2,302	29,88,890	--	-- --	2,302	29,88,890
Do. do. 1887..	1,963	25,84,680	3	4,560	1,966	25,89,240
Do. do. 1888..	11,320	1,57,51,688	96	1,40,321	11,416	1,58,92,009
Do. do. 1889..	1,302	19,85,997	26	31,200	1,328	20,17,197
Do. do. 1890..	3,148	36,60,574	21	23,800	3,169	36,84,374
Do. do. 1891..	4,564	61,02,250	--	-- --	4,564	61,02,250
Do. do. 1892..	7,416	99,84,335	--	-- --	7,416	99,84,335
Do. do. 1893..	3,598	45,17,445	38	57,312	3,636	45,74,757
Do. do. 1894..	4,949	60,68,702	--	-- ..	4,949	60,68,702
Do. do. 1895..	7,744	1,00,64,441	7	7,200	7,751	1,00,71,641
Do. do. 1896..	7,024	86,38,535	26	30,420	7,050	86,68,955
Do. do. 1897..	2,368	30,36,875	15	21,988	2,383	30,58,863
Do. do. 1898..	947	13,18,478	--	-- ..	947	13,18,478
Do. do. 1899..	3,034	39,93,348	1	1,680	3,035	39,95,028
Do. do. 1900...	1,080	13,72,980	--	-- --	1,080	13,72,980
Do. do. 1901..	418	5,59,100	--	-- --	418	5,59,100
Do. do. 1902..	500	5,69,758	--	-- --	500	5,69,758
Do. do. 1903..	138	1,68,081	--	-- --	138	1,68,081
Do. do. 1904..	2,410	27,98,025	--	-- --	2,410	27,98,025
Do. do. 1905..	10,085	1,16,72,521	--	-- --	10,085	1,16,72,521
Do. do. 1906..	557	7,04,090	--	-- --	557	7,04,090
Do. do. 1907...	262	3,53,092	--	-- --	262	3,53,092
Do. do. 1908...	2,803	32,45,175	--	-- --	2,803	32,45,175
Do. do. 1909...	2,484	31,37,627	--	-- --	2,484	31,37,627
Do. do. 1910...	1,804	23,56,642	--	-- --	1,804	23,56,642
Do. do. 1911..	279	3,05,684	--	-- --	279	3,05,684
Do. do. 1912..	822	10,39,900	--	-- --	822	10,39,900
Do. do. 1913..	638	7,62,280	--	-- --	638	7,62,280
Do. do. 1914..	98	1,40,120	--	-- --	98	1,40,120
Do. do. 1915..	223	3,24,720	--	-- --	223	3,24,720
Do. do. 1916..	200	2,84,044	--	-- --	200	2,84,044
Do. do. 1917..	6	5,528	--	....	6	5,528
Do. do. 1918...	1	798	--	....	1	798
Do. do. 1919..	241	3,41,900	--	-- --	241	3,41,900
Do. do. 1920..	196	2,70,960	7	8,780	203	2,79,740
Do. do. 1921...	9	13,530	--	....	9	13,530
Do. do. 1922...	14	12,120	--	-- --	14	12,120
Do. do. 1923..	4	2,200	..	....	4	2,200
Do. do. 1924..	6	10,435	--	....	.. 6	10,435
Do. do. 1925...	63	1,44,720	--	....	63	1,44,720

Exports of Indian Manufactured Piecegoods and Yarn.

Shipments of Country-made Yarn from Bombay to China and Japan :—

Period.	To China (Bales, 400 lbs. each).	To Japan (Bales, 400 lbs. each).	Total Bales.
From 1st January to 31st December 1877 ..	28,516	142	28,658
Do. do. do. 1878 ..	45,933	1,745	47,678
Do. do. do. 1879 ..	45,530	4,842	50,372
Do. do. do. 1880 ..	63,194	4,527	67,721
Do. do. do. 1881 ..	61,783	7,378	69,161
Do. do. do. 1882 ..	81,434	9,854	91,288
Do. do. do. 1883 ..	94,982	17,421	1,12,403
Do. do. do. 1884 ..	1,27,318	13,846	1,41,164
Do. do. do. 1885 ..	1,54,517	19,020	1,73,537
Do. do. do. 1886 ..	1,99,407	20,543	2,19,950
Do. do. do. 1887 ..	2,05,158	39,730	2,44,888
Do. do. do. 1888 ..	2,34,071	52,697	2,86,768
Do. do. do. 1889 ..	2,54,697	62,220	3,16,917
Do. do. do. 1890 ..	3,25,060	37,722	3,62,782
Do. do. do. 1891 ..	3,65,038	10,939	3,75,977
Do. do. do. 1892 ..	3,85,771	21,445	4,07,216
Do. do. do. 1893 ..	2,97,572	14,198	3,11,770
Do. do. do. 1894 ..	3,38,703	10,743	3,49,446
Do. do. do. 1895 ..	3,74,119	2,515	3,76,634
Do. do. do. 1896 ..	4,71,023	2,467	4,73,490
Do. do. do. 1897 ..	3,61,221	645	3,61,866
Do. do. do. 1898 ..	4,37,645	475	4,38,120
Do. do. do. 1899 ..	5,79,619	250	5,79,869
Do. do. do. 1900 ..	2,53,331	100	2,53,431
Do. do. do. 1901 ..	5,36,195	....	5,36,195
Do. do. do. 1902 ..	5,55,487	....	5,55,487
Do. do. do. 1903 ..	6,04,044	....	6,04,044
Do. do. do. 1904 ..	4,60,316	3	4,60,319
Do. do. do. 1905 ..	6,51,870	....	6,51,870
Do. do. do. 1906 ..	5,96,926	500	5,97,426
Do. do. do. 1907 ..	4,12,127	200	4,12,327
Do. do. do. 1908 ..	4,41,899	....	4,41,899
Do. do. do. 1909 ..	5,10,746	....	5,10,746
Do. do. do. 1910 ..	4,24,893	....	4,24,893
Do. do. do. 1911 ..	2,75,087	....	2,75,087
Do. do. do. 1912 ..	4,33,989	....	4,33,989
Do. do. do. 1913 ..	4,05,359	....	4,05,359
Do. do. do. 1914 ..	3,24,586	....	3,24,586
Do. do. do. 1915 ..	3,58,777	....	3,58,777
Do. do. do. 1916 ..	3,03,692	....	3,03,692
Do. do. do. 1917 ..	2,86,365	107	2,86,472
Do. do. do. 1918 ..	1,08,568	....	1,08,568
Do. do. do. 1919 ..	2,70,058	389	2,70,447
Do. do. do. 1920 ..	1,75,688	....	1,75,688
Do. do do. 1921 ..	1,52,911	10	1,52,921
Do. do. do. 1922 ..	1,18,970	....	1,18,970
Do. do. do. 1923 ..	58,241	....	58,241
Do. do. do. 1924 ..	31,161	....	31,161
Do. do. do. 1925 ...	28,623	10	28,633

The following statement shows the **Shipment of Cotton Piece-goods and Yarn from the United Kingdom to British India, China and Japan** in the years 1877 to 1925 :—

Years.	Piece-goods of all kinds.			Yarn.		
	British India.	To China (including Hongkong).	To Japan.	British India.	To China (including Hongkong).	To Japan.
	Yards.	Yards.	Yards.	Lbs.	Lbs.	Lbs.
(1st Jan. to 31st Dec.) 1877	*1,30,49,35,496	36,73,29,900	2,71,50,300	*3,60,30,025	1,79,62,200	1,51,05,700
Do. 1878	*1,18,90,59,900	34,00,97,800	4,22,32,400	*3,33,92,000	1,10,58,200	2,54,09,600
Do. 1879	*1,20,57,46,400	46,23,03,800	6,16,17,500	*2,95,96,900	1,43,43,400	2,46,07,700
Do. 1880	*1,67,03,10,900	44,72,71,900	6,14,64,500	*4,40,97,700	1,95,14,200	2,69,11,600
Do. 1881	*1,63,97,43,500	52,38,52,300	6,33,25,100	*4,06,83,300	1,91,49,400	2,83,29,800
Do. 1882	*1,52,21,58,000	40,19,58,300	5,29,90,500	*4,22,08,300	1,52,26,700	1,91,44,200
Do. 1883	*1,65,30,73,000	37,06,59,800	4,50,06,000	*4,21,72,400	1,33,70,700	2,01,48,500
Do. 1884	*1,64,27,31,800	39,45,83,600	4,53,54,200	*4,55,85,100	1,57,24,300	2,31,34,800
Do. 1885	*1,66,46,31,000	52,39,27,000	4,54,12,400	*4,15,20,600	2,03,73,900	1,26,87,200
Do. 1886	2,11,88,38,400	45,58,23,000	3,46,28,500	4,66,05,800	1,05,98,200	1,63,32,200
Do. 1887	1,81,19,64,500	55,27,42,700	6,54,03,800	4,88,52,400	1,18,82,200	2,34,72,500
Do. 1888	2,03,52,40,300	57,45,47,500	7,78,56,400	5,40,62,000	1,74,74,000	2,71,68,600
Do. 1889	2,00,11,53,400	47,44,26,100	8,25,78,000	4,53,54,300	88,28,900	2,68,32,600
Do. 1890	2,02,10,18,500	57,02,97,800	6,33,09,400	4,97,34,000	1,49,56,900	2,31,00,500
Do. 1891	1,83,64,90,600	53,41,29,400	6,11,20,100	5,00,03,600	1,31,44,800	1,48,26,500
Do. 1892	1,85,08,72,200	49,74,85,200	7,51,80,500	3,95,05,200	85,01,300	2,33,84,900
Do. 1893	1,88,82,91,200	36,54,25,500	6,83,07,800	3,85,38,400	87,78,500	1,89,63,000
Do. 1894	2,27,63,45,600	42,53,40,200	7,16,03,900	4,00,36,000	97,69,500	1,46,38,800
Do. 1895	1,71,82,24,000	52,81,87,300	9,90,35,600	4,10,70,600	1,12,26,100	2,12,66,000
Do. 1896	2,03,80,24,500	54,29,93,400	10,55,07,100	4,91,63,500	90,76,400	2,27,87,400
Do. 1897	1,75,88,37,600	44,51,82,100	9,40,56,700	4,76,96,100	1,12,46,000	2,31,42,600
Do. 1898	2,08,38,69,400	48,64,96,200	10,49,66,000	4,26,82,900	1,31,09,700	1,71,91,500
Do. 1899	2,18,08,85,400	55,40,80,000	9,38,50,600	3,90,14,900	1,13,44,700	1,25,26,500
Do. 1900	1,87,78,08,200	45,61,95,300	11,94,70,200	3,21,54,600	22,69,700	1,12,78,800
Do. 1901	2,22,86,32,400	49,10,72,700	6,33,21,400	3,53,10,100	69,38,200	74,85,900
Do. 1902	1,99,62,07,800	57,47,73,000	10,91,16,400	3,02,08,100	63,97,800	23,65,900
Do. 1903	1,99,81,67,200	47,76,91,500	6,73,24,800	2,53,58,000	46,60,300	14,06,100
Do. 1904	2,25,53,15,900	54,90,73,900	4,23,74,000	2,64,18,000	24,57,200	6,80,700
Do. 1905	2,39,19,89,000	79,97,32,300	12,87,24,800	3,93,21,300	84,40,900	40,70,700
Do. 1906	2,35,16,94,500	64,74,25,400	11,02,86,400	3,77,52,400	55,50,600	63,13,900
Do. 1907	2,45,42,33,800	55,33,73,000	12,12,40,900	3,10,11,700	42,98,600	21,12,300
Do. 1908	2,13,09,20,200	49,82,92,600	11,38,94,300	3,84,24,400	55,38,300	16,87,300
Do. 1909	2,04,67,99,100	57,24,82,000	11,39,07,500	3,60,23,200	44,77,400	9,94,500
Do. 1910	2,21,53,31,700	47,13,62,200	10,03,88,200	2,64,82,300	7,52,200	3,40,800
Do. 1911	2,42,16,61,200	64,75,03,100	9,22,08,300	3,64,08,000	30,90,000	....
Do. 1912	2,79,52,54,700	52,76,36,800	7,47,66,300	4,21,95,700	26,40,100	....
Do. 1913	3,05,73,92,000	71,65,71,400	5,01,99,900	3,74,21,400	21,46,400	....
Do. 1914	2,60,83,36,000	57,79,47,600	2,60,98,600	3,74,44,200	16,47,700	....
Do. 1915	1,90,80,94,500	37,50,82,300	1,96,62,800	3,79,78,300	6,78,600	....
Do. 1916	1,93,51,28,900	37,74,25,700	1,72,87,000	2,68,80,400	3,13,700	....
Do. 1917	1,90,67,24,500	30,95,85,900	1,25,97,500	1,79,00,100	1,88,500	....
Do. 1918	93,53,88,800	21,63,70,400	1,09,58,500	82,70,200	67,800	....
Do. 1919	76,77,76,300	30,44,35,600	1,07,06,200	93,63,700	3,50,800	....
Do. 1920	1,37,43,77,200	45,26,53,600	2,60,49,700	2,28,50,200	26,54,300	....
Do. 1921	1,09,20,67,700	21,10,63,100	1,34,06,800	3,46,18,400	34,67,400	....
Do. 1922	1,40,11,42,300	30,89,92,000	2,10,24,600	3,75,53,000	60,44,800	....
Do. 1923	1,41,09,19,800	23,53,29,400	1,63,07,500	2,08,98,000	4,86,900	....
Do. 1924	1,64,19,41,600	29,25,77,600	1,98,55,400	2,01,86,100	9,57,700	....
Do. 1925	1,42,14,40,300	17,33,86,800	1,06,44,000	1,59,88,100	4,97,500	....
Average for 10 years (1916 to 1925)	1,38,86,90,740	28,81,82,010	1,58,83,720	2,14,50,820	15,02,940	....

*Excluding Burma.

Monthly Return of the Board of Trade.

The **Imports of Yarn and Cloth into China** are summarised in the following statement :—

From	Yarn		Cloth.	
	Average of 10 years (1916 to 1925).	1925.	Average of 10 years (1916 to 1925).	1925.
			Yards.	Yards.
Bombay, bales of 400 lbs. ..	153,427	28,623	....	....
„ lbs.	61,370,800	11,449,200	108,623	144,720
United Kingdom, lbs.	1,502,940	497,500	288,182,010	173,386,800
Total lbs. ..	62,873,740	11,946,700	....	....
Total yards ..	....	....	288,290,633	173,531,520

For purposes of comparison, the following figures are appended showing the **Rates of Exchange on Hongkong and the Prices of Silver ruling at the end of March** in each of the following years :—

	Price of Silver. Per 100 Tolas.		Exchange on Hongkong.
	Rs.	a.	Rs.
1894	84	11-7/22	175-1/22
1895	91	12	188-11/26
1896	92	9-11/12	186-6/13
1897	83	9⅛	163-89/100
1898	71	3	141¼
1899	73	15-15/23	149-3/23
1900	73	3¾	147
1901	75	4-9/32	151-17/50
1902	67	1-3/7	138-8/23
1903	60	4⅞	119½
1904	70	10-6/23	137-8/11
1905	72	1	139-11/26
1906	79	10⅜	155-11/36
1907	83	14-7/11	162-1/16
1908	70	1-2/23	142-19/30
1909	62	8¼	131-2/13
1910	68	10-7/22	130-13/24
1911	70	13-8/23	134½
1912	78	9-7/23	143-21/26
1913	75	8	143¾
1914	77	11/16	142¾
1915	70	⅜	134
1916	82	12	148
1917	87	15	175¼
1918	103	6	218
1919	116		215
1920	111		226
1921	88	4	188
1922	90	12	187
1923	83	1	179
1924	81	14	171
1925	72	3	153½

Imports of Cotton Piece-goods (Grey, White and Coloured) and Cotton Yarn into British India from Japan; Excise Duty realized from Goods woven in the Cotton Mills in India, and gross amount of Customs Duty collected on Cotton Piece-goods (Grey, White and Coloured) imported into British India :—

YEARS.	Imports of Cotton Piece-goods and Yarn from Japan.		Excise Duty realized from Goods Woven in Cotton Mills in India.		Gross amount of Customs Duty collected on Cotton Piece-goods imported into India.
	Piece-goods.	Yarn.	Gross.	Net.	
	Yards.	lbs.	Rs.	Rs.	Rs.
1896-1897	26,888	10	11,45,200	11,13,454	90,07,884
1897-1898	10,413	10	12,14,108	11,86,848	78,01,777
1898-1899	9,394	150	14,27,246	14,05,216	82,78,732
1899-1900	24,768	140	13,80,526	13,50,306	89,73,619
1900-1901	22,076	128,140	12,64,787	12,11,431	91,00,176
1901-1902	34,827	....	18,31,079	17,77,965	1,01,11,719
1902-1903	24,934	....	19,31,754	18,91,010	93,87,417
1903-1904	308,988	2,080	21,36,510	20,95,151	95,23,405
1904-1905	344,897	....	24,49,145	24,00,976	1,16,84,300
1905-1906	260,097	33	27,90,239	27,54,516	1,27,48,661
1906-1907	178,180	57	29,82,671	29,46,515	1,23,32,014
1907-1908	99,806	110	34,97,216	34,53,443	1,45,79,857
1908-1909	111,739	120	36,58,276	36,12,977	1,12,46,445
1909-1910	76,808	40	41,43,892	40,98,719	1,17,69,806
1910-1911	154,413	316,117	44,56,129	44,01,707	1,34,16,705
1911-1912	622,861	586,677	50,61,974	49,86,971	1,48,14,180
1912-1913	5,880,723	384,429	58,39,147	57,97,745	1,83,73,890
1913-1914	8,900,578	1,000,260	56,77,256	56,01,064	2,01,24,750
1914-1915	16,042,064	921,730	51,74,091	51,65,345	1,47,77,640
1915-1916	39,101,998	701,929	51,15,846	50,30,382	1,30,71,285
1916-1917	100,122,516	4,007,635	47,08,749	46,27,726	1,69,79,850
1917-1918	94,655,510	4,206,491	80,05,559	79,30,032	3,71,85,521
1918-1919	238,128,138	27,280,386	1,43,24,924	1,41,87,143	3,70,98,138
1919-1920	75,952,374	1,917,956	1,64,05,268	1,61,45,449	3,92,08,418
1920-1921	170,322,948	20,122,799	2,40,58,772	2,38,37,729	6,41,19,084
1921-1922	90,275,210	14,915,009	2,29,24,345	2,22,35,647	4,66,60,190
1922-1923	107,778,096	26,546,905	1,98,88,187	1,85,76,977	6,38,81,309
1923-1924	122,665,674	20,430,025	1,68,19,203	1,50,18,139	6,16,12,206
1924-1925	†155,301,899	32,324,773	2,34,63,580	2,28,46,954	7,73,76,169

Subject to revision. † Of these 109,839,116 yards are Grey Piece-goods.

Monthly A/cs of Sea Borne Trade and Navigation of British India.

The following table shows the **number of pounds of Yarn produced in India per spindle** which is a fairly good index of the steadiness with which the spindles have been worked :—

Years.	Spindles Set up.	Average number of spindles at work daily.	Yarn produced.	Pounds per spindle.
			Cwts.	
1896	39,32,946	Not recorded	38,60,287	109·93
1897	40,65,618	do.	37,78,436	104·08
1898	42,59,720	do.	41,30,320	108·59
1899	47,28,333	do.	45,74,867	108·36
1900	49,45,783	do.	45,87,708	103·89
1901	50,06,936	do.	31,51,563	70·49
1902	50,06,965	do.	51,15,519	114·42
1903	50,43,297	47,15,149	51,44,951	122·20
1904	51,18,121	47,01,318	51,57,338	122·86
1905	51,63,486	48,15,050	51,64,118	120·11
1906	52,79,595	50,17,537	60,79,630	135·70
1907	53,33,275	50,38,569	58,36,611	129·73
1908	57,56,020	52,91,336	56,99,063	120·63
1909	60,53,231	55,26,223	58,64,556	118·85
1910	61,95,671	52,90,473	56,01,484	118·58
1911	63,57,460	53,92,691	54,45,778	113·10
1912	64,63,929	54,93,477	55,80,626	113·77
1913	65,96,862	57,36,701	61,47,079	120·01
1914	67,78,895	58 48,283	60,96,222	116·74
1915	68,48,744	57,04,320	58,21,291	114·29
1916	68,39,877	59,00,896	64,50,219	122·42
1917	67,38,697	60,67,770	60,81,314	112·24
1918	66,53,871	59,87,685	58,97,996	110·32
1919	66,89,680	60,46,323	54,91,432	101·72
1920	67,63,076	62,38,771	56,76,430	101·90
1921	68,70,804	64,07,037	58,92,880	103·01
1922	73,31,219	65,49,112	61,92,604	105·90
1923	79,27,938	67,73,718	63,02,621	104·21
1924	83,13,273	69,62,533	54,34,174	88·66
1925	85,10,633	74,54,161	64,23,125	96·50

The fluctuations in the **Spot Prices of Middling Upland Cotton in Liverpool** are shown below, as also the **Average Prices of Ginned Oomrawati and Ginned Bengal Cotton in Bombay :—**

	Average Price per lb. in Liverpool for Middling Upland.	Average Price per Candy of 784 lbs. in Bombay.			
		Oomrawati (Khamgaum, Akola) Ginned "Fine."	Delivery.	Bengal Ginned "Fine."	Delivery.
1925.	*d*	Rs.		Rs.	
March	14·10	467¾	Ready.	441¼	Ready
April	13·43	451½	,,	416	,,
May	12·71	408½	,,	390	,,
June	13·48	404¼	,,	389¼	,,
July	13·71	418	,,	401¾	,,
August	13·09	414¾	,,	400	,,
September	12·93	400½	,,	400¼	,,
October	11·53	371¼	,,	371½	,,
November	10·58	392	,,	335	,,
December	10·10	350½	(New),,	304¾	(New) ,,
1926.					
January	10·69	340¾	,, ,,	298¾	,, ,,
February	9·99	347	....	284	,,
March	9·43	332¼	....	268¼	....

Rates for Oomravati and Bengal Ginned fine are taken from the weekly returns of the E.I.C.A.

WEEKLY CURRENT QUOTATIONS FOR LOCAL-MADE PIECE-GOODS AND YARN IN BOMBAY DURING THE YEAR 1924.

(*From the Return published by the Bombay Millowners' Association.*)

Week Ending	Piece-Goods. (Medium Class.)				Yarn. (Medium Quality.)		
	State of Market.	Long Cloths.	T. Cloths.	Chudders.	State of Market.	Twist No. 10s.	Twist No. 20s.
	NET RATE PER LB. IN ANNAS.						
2-1-1925	Dull.	21	19¾	19¾	Quiet.	13¼	16
9-1-1925	,,	20¾	19½	19½	,,	13	15¼
16-1-1925	,,	20¾	19½	19½	,,	13	15¼
23-1-1925	,,	20¾	19½	19½	,,	13	15
30-1-1925	,,	20¾	19½	19½	,,	12¾	15
6-2-1925	,,	20¾	19½	19½	,,	12½	14¾
13-2-1925	,,	20¾	19½	19½	,,	12½	15
20-2-1925	,,	20¾	19½	19½	,,	12½	14¾
27-2-1925	,,	20½	19¼	19¼	,,	12¾	14¾
6-3-1925	,,	20½	19¼	19¼	,,	12½	15
13-3-1925	,,	20½	19¼	19¼	,,	12½	15
20-3-1925	,,	20½	19¼	19¼	,,	12½	15
27-3-1925	,,	20½	19¼	19¼	,,	12⅔	14⅔
3-4-1925	,,	20½	19¼	19¼	,,	12¼	14¾
14-4-1925	Quiet.	20½	19¼	19¼	,,	12¼	14½
17-4-1925	Dull.	20½	19¼	19¼	,,	12¼	14¾
24-4-1925	,,	20½	19¼	19¼	,,	12¼	14¾
1-5-1925	,,	20½	19¼	19¼	,,	12	14
8-5-1925	,,	20¼	19¼	19	,,	11½	14
15-5-1925	Very dull.	20	19	18¾	,,	11½	13½
22-5-1925	,,	19¾	18¾	18⅓	,,	11	13¼
1-6-1925	,,	19½	18¾	18½	,,	11	13¼
5-6-1925	,,	19¼	18½	18¼	,,	11	13⅜
12-6-1925	,,	19¼	18½	18¼	,,	11	13¼
19-6-1925	,,	19	18¼	18	,,	11	13
26-6-1925	,,	18¾	18	17¾	,,	10¾	13
2-7-1925	,,	18½	17¾	17½	,,	11	13¼
10-7-1925	,,	18½	17¾	17½	,,	10¾	13½
17-7-1925	Steady.	18½	17¾	17½	,,	11	13¼
24-7-1925	,,	18½	17¾	17½	,,	11¼	13¾
31-7-1925	,,	18½	17¾	17½	,,	11¼	13¾
7-8-1925	,,	18½	17¾	17½	,,	11¼	13¾
14-8-1925	Dull.	18¼	17½	17¼	,,	11¼	13¾
21-8-1925	,,	18¼	17½	17¼	,,	11¼	13½
28-8-1925	,,	18¼	17½	17¼	,,	11	13½
4-9-1925	,,	18	17¼	17	,,	11	13½
11-9-1925	,,	18	17	17	,,	11	13¼
18-9-1925	,,	18	17	17	Steady.	11¼	13¾
25-9-1925	Steady.	18¼	17¼	17¼	,,	11¼	13¾
2-10-1925	Strong.	18½	17½	17½	,,	11½	14
9-10-1925	,,	19	18	18	Quiet.	11½	14
14-10-1925	Steady.	19	18	18	,,	11¼	13¾
23-10-1925	,,	19	18	18	,,	11¼	14
30-10-1925	,,	19	18	18	Quiet, nothing doing.	11¾	13¾
6-11-1925	Quiet.	18¾	17¾	17¾	,,	11½	13½
13-11-1925	,,	18¾	17¼	17¼	Quiet.	11½	13½
20-11-1925	,,	18¾	17¼	17¼	,,	10¾	13¼
27-11-1925	,,	18	17	16½	,,	10¾	13½
4-12-1925	Dull.	18	17	16½	,,	11	13½
11-12-1925	,,	17½	16½	16	,,	10¾	13¼
18-12-1925	,,	17½	16½	16	,,	10¼	12½
23-12-1925	,,	17½	16½	16	,,	10¼	12½
30-12-1925	,,	17½	16½	16	Steady.	10¾	12¾

SPINDLES AND LOOMS SET UP IN INDIA, THE UNITED STATES OF AMERICA, GREAT BRITAIN, GERMANY, CHINA AND JAPAN.

The following figures have been obtained from various sources and may be taken as being approximately correct. In order, however, to make the record as complete as possible, the Committee will be obliged, if members and others who have any additional particulars available will kindly forward them to the Secretary for inclusion in any future statements that may be published :—

SPINDLES.

Year.	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1870	....	7,132,415	33,995,000	....	....	....
1871	....	....	....	....	....	....
1872	....	....	....	....	....	....
1873	....	....	....	....	....	....
1874	....	....	....	....	....	....
1875	....	....	....	4,200,000	....	....
1876	1,100,112	....	....	....	....	....
1877	1,244,206	....	....	....	....	....
1878	1,289,706	....	....	....	....	....
1879	1,452,794	....	....	....	....	....
1880	1,461,590	10,653,435	....	....	....	....
1881	1,513,096	....	....	....	....	....
1882	1,620,814	....	....	....	30,000	....
1883	1,790,388	....	....	....	....	....
1884	2,001,667	....	43,000,000	....	....	....
1885	2,145,646	....	43,000,000	....	....	....
1886	2,261,561	....	42,700,000	....	....	....
1887	2,421,290	....	42,740,000	....	....	....
1888	2,488,851	....	43,000,000	....	....	....
1889	2,762,518	....	43,500,000	....	....	....
1890	3,274,196	14,384,180	43,750,000	....	....	....
1891	3,351,694	14,640,000	44,750,000	....	....	....
1892	3,402,232	15,200,000	45,270,000	....	385,314	....
1893	3,575,917	15,700,000	45,270,000	....	381,781	....
1894	3,649,736	16,100,000	45,190,000	....	530,074	....
1895	3,809,929	16,650,000	45,400,000	6,571,332	580,945	....
1896	3,932,946	17,333,396	44,900,000	....	692,384	....
1897	4,065,618	18,228,991	44,500,000	....	768,328	....
1898	4,259,720	18,434,244	44,900,000	7,115,500	1,027,817	....
1899	4,728,333	19,329,092	45,600,000	....	1,170,337	....
1900	4,945,783	19,472,232	45,600,000	8,031,400	1,274,000	550,000
1901	5,006,936	20,196,835	46,100,000	8,434,601	1,234,976	....
1902	5,006,965	20,907,212	49,727,107	....	1,230,697	....
1903	5,043,297	21,212,827	49,700,000	....	1,381,306	....
1904	5,118,121	22,197,522	49,500,000	....	1,345,585	....
1905	5,163,486	22,861,043	50,964,874	8,832,016	1,426,594	....
1906	5,279,595	24,628,379	52,796,230	9,121,259	1,472,253	....
1907	5,333,275	25,681,509	52,585,362	9,730,209	1,540,452	750,000
1908	5,756,020	26,133,442	55,218,024	9,850,209	1,795,879	....
1909	6,053,231	27,914,085	57,026,422	10,162,872	1,954,892	....
1910	6,195,671	28,299,482	57,731,829	10,200,000	2,099,764	....
1911	6,357,460	29,064,492	58,002,435	10,480,090	2,170,796	831,000
1912	6,463,929	29,962,713	58,140,220	10,725,732	2,176,748	833,112
1913	6,596,862	30,579,000	58,481,000	10,920,426	2,414,499	947,406
1914	6,778,895	32,227,840	59,317,187	10,162,872	2,657,174	1,000,000
1915	6,848,744	32,400,792	59,905,000	10,163,000	2,807,514	....
1916	6,839,877	32,653,164	59,811,222	....	2,875,904	1,029,218
1917	6,738,697	33,535,000	60,973,000	....	3,060,478	1,126,568
1918	6,653,871	34,219,156	57,685,841	....	3,227,678	....
1919	6,689,680	34,648,928	59,182,683	....	3,488,262	1,416,556
1920	6,763,076	34,946,721	60,079,394	8,262,872	3,813,680	1,585,300
1921	6,870,804	35,632,193	60,053,246	8,693,221	4,161,126	1,650,000
1922	7,331,219	36,584,487	58,712,303	9,400,000	4,517,612	1,888,348
1923	7,927,938	37,397,000	59,819,000	9,605,000	4,197,966	2,680,000
1924	8,313,273	37,924,000	59,511,000	10,060,000	4,870,232	3,581,214
1925	8,510,633	37,833,000	59,903,000	10,060,000	5,292,040	3,588,000

Note.—The figures for India are taken from the Association's Mill Statement.
The figures for Japan are taken from the half yearly publication of Japan Cotton Spinners' Association.
The figures for the rest are taken from the Comtelburo Year Book.

LOOMS.

Year.	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1870	....	....	441,000	....	....	....
1871	....	....	....	....	....	....
1872	....	....	....	....	....	....
1873	....	....	....	....	....	....
1874	....	....	....	....	....	....
1875	....	....	....	....	....	....
1876	9,139	....	....	....	....	....
1877	10,385	....	....	....	....	....
1878	10,533	....	....	....	....	....
1879	13,018	....	....	....	....	....
1880	13,502	....	....	....	....	....
1881	13,707	....	....	....	....	....
1882	14,172	....	....	....	....	....
1883	15,373	....	....	....	....	....
1884	16,262	....	....	....	....	....
1885	16,537	....	561,000	....	....	....
1886	17,455	....	....	....	....	....
1887	18,536	....	....	....	....	....
1888	19,496	....	....	....	....	....
1889	21,561	....	....	....	....	....
1890	23,412	....	....	....	....	....
1891	24,531	....	....	....	....	....
1892	25,444	....	660,000	....	....	....
1893	28,164	....	....	....	....	....
1894	31,154	....	....	....	....	....
1895	35,338	362,067	606,585	245,000	5,000	....
1896	37,270	354,358	....	....	....	....
1897	37,584	379,341	....	....	2,852	....
1898	38,013	384,745	....	240,000	2,798	....
1899	39,069	392,690	....	....	2,757	....
1900	40,124	439,465	648,820	211,818	5,045	....
1901	41,180	411,106	....	211,818	....	....
1902	42,584	477,072	....	....	....	....
1903	44,092	488,760	684,000	....	5,043	....
1904	45,337	503,027	....	....	5,085	....
1905	50,139	515,006	704,357	230,200	8,140	....
1906	52,668	525,630	704,357	230,200	9,601	....
1907	58,436	536,815	725,221	....	9,462	....
1908	67,920	546,160	736,325	....	11,146	....
1909	76,898	555,398	739,382	....	13,813	....
1910	82,725	625,719	741,197	230,200	17,702	....
1911	85,352	633,909	741,260	....	20,431	....
1912	88,951	671,873	758,712	....	21,898	3,738
1913	94,136	709,255	786,205	....	24,224	4,755
1914	104,179	696,387	805,452	230,200	25,443	....
1915	108,009	689,840	808,145	....	30,068	....
1916	110,268	719,358	808,796	....	31,295	4,755
1917	114,621	725,366	807,543	....	36,181	5,853
1918	116,484	712,426	787,679	....	40,391	....
1919	118,221	700,620	790,936	....	44,401	7,193
1920	119,012	708,079	798,083	190,200	50,583	7,660
1921	123,783	719,120	790,399	190,200	54,994	....
1922	134,620	707,469	799,000	190,200	60,893	10,814
1923	144,794	744,686	795,244	240,700	60,893	13,631
1924	151,485	760,625	791,674	240,700	64,460	22,477
1925	154,202	762,808	788,197	....	64,460	29,124

(See foot-note to previous table.)

ESTIMATE OF COTTON CROP.

(From 1902-3 American figures are extracted from an article in the *Times of India* dated 19th March 1926 by Prof. J. A. Todd, Principal of the Liverpool School of Economics.)

Season.	United States of America.	India.	Season.	United States of America.	India.
	Bales of 500 lbs. net.	Bales of 400 lbs. net.		Bales of 500 lbs. net.	Bales of 400 lbs. net.
1870-71	3,842,748	....	1898-99	11,008,368	3,015,269
1871-72	2,634,964	....	1899-00	9,026,276	1,090,168
1872-73	3,440,112	....	1900-01	10,028,830	2,953,381
1873-74	3,667,440	....	1901-02	10,401,888	2,744,591
1874-75	3,371,280	....	*1902-03	10,784	3,367,030
1875-76	4,113,216	....	1903-04	10,016	3,160,665
1876-77	3,937,120	....	1904-05	13,697	3,791,000
1877-78	4,296,600	....	1905-06	10,726	3,416,000
1878-79	4,536,156	....	1906-07	13,305	4,934,000
1879-80	5,230,988	....	1907-08	11,326	3,122,000
1880-81	6,077,520	....	1908-09	13,432	3,692,000
1881-82	4,921,312	....	1909-10	10,386	4,718,000
1882-83	6,533,000	....	1910-11	11,966	3,853,000
1883-84	5,278,812	....	1911-12	16,109	3,288,000
1884-85	5,249,520	....	1912-13	14,091	4,610,000
1885-86	6,088,450	....	1913-14	14,614	5,065,000
1886-87	6,031,072	....	1914-15	16,738	5,209,000
1887-88	6,581,898	....	1915-16	12,013	3,738,000
1888-89	6,619,806	....	1916-17	12,664	4,502,000
1889-90	6,975,932	....	1917-18	12,345	4,000,000
1890-91	8,222,952	....	1918-19	12,817	3,978,000
1891-92	8,567,100	1,697,615	1919-20	11,921	5,796,000
1892-93	6,330,800	2,272,716	1920-21	13,700	3,601,000
1893-94	7,140,336	2,529,325	1921-22	8,360	4,479,000
1894-95	9,522,216	2,223,029	1922-23	10,320	5,075,000
1895-96	6,818,238	2,670,388	1923-24	10,811	5,140,000
1896-97	8,305,524	2,264,890	1924-25	14,497	6,091,000
1897-98	10,812,224	2,473,033	1925-26	16,900	6,051,000

* *Note* :—American Crop figures include Linters and "000" are omitted from 1902-3.

Below is a comparative statement of **Cotton Consumption, Yarn and Cloth production by mills in Japan** for a series of years :—

Year.	Cotton consumed.	Yarn produced.	Yarn exported.	Cloth produced.
	Bales of 400 lbs.	Bales.	Bales of 400 lbs.	Yards.
1903..	975,608	801,737	307,201	76,702,213
1904..	822,065	695,213	257,307	80,947,348
1905..	1,058,226	905,536	267,383	114,908,132
1906..	1,110,683	945,167	267,348	137,773,415
1907..	1,150,286	983,481	226,472	135,253,029
1908..	1,058,107	878,570	167,842	147,443,838
1909..	1,223,506	1,025,244	258,878	181,976,972
1910..	1,358,980	1,134,780	347,633	226,313,958
1911..	1,348,012	1,129,267	285,009	289,039,671
1912..	1,590,579	1,352,209	374,933	342,584,684
1913..	1,780,346	1,517,982	468,736	416,725,357
1914..	1,959,643	1,666,181	569,990	454,901,674
1915..	2,019,553	1,720,264	575,891	502,076,621
1916..	2,238,967	1,925,579	547,147	560,181,108
1917..	2,264,859	1,923,841	470,852	594,649,419
1918..	2,133,070	1,803,866	421,512	656,935,420
1919..	2,243,884	1,920,782	230,333	739,390,012
1920..	2,130,790	1,816,976	304,925	762,037,360
1921..	2,151,367	1,811,350	292,260	700,697,985
1922..	2,619,699	2,228,246	394,062	869,327,652
1923..	2,549,256	2,171,153	2 8,324	1,000,708,890
1924..	2,422,534	2,072,817	270,359	1,030,905,658

(Cotton Statistics of Japan by the Japanese Cotton Spinners' Association.)

ELECTION OF CHAIRMAN OF THE ASSOCIATION.

The annual ballot for the office of the Chairman of the Association took place on 4th January, 1926, and resulted in the election of **Mr. A. Geddis.**

ELECTION OF DEPUTY CHAIRMAN OF THE ASSOCIATION.

The annual ballot for the above election took place on 11th January, 1926, and resulted in the election of **Mr. H. P. Mody.**

ELECTION OF COMMITTEE FOR 1926.

The ballot for the election of the remaining 18 members of the Committee was held on 18th January 1926, and the following members were duly elected :—

Sir Dinshaw M. Petit, Bart., Sir Victor Sassoon, Bart., The Hon'ble Sir Dinshaw E Wacha, Kt., Sir Fazulbhoy Currimbhoy, Kt., C.B.E., J. A. Kay, Esq., M.L.C., Lalji Naranji, Esq., M.L.C., Ratansi D. Morarji, Esq., Jehangir B. Petit, Esq., Munmohandas Ramji, Esq., N. B. Saklatvala, Esq., C.I.E., S. D. Saklatvala, Esq., H. H. Sawyer, Esq., F. F. Stileman, Esq., F. Stones, Esq., O.B.E., Madhavji D. Thackersey, Esq., C. N. Wadia, Esq., C.I.E., M.L.C., N. N. Wadia, Esq., C.I.E., and T. Watts, Esq.

BOMBAY LEGISLATIVE COUNCIL.

Towards the end of March, Mr. C. N. Wadia, the Association's representative in the Bombay Legislative Council, resigned his seat, and in the election that followed Mr. N. N. Wadia was returned unopposed.

In September Mr. N. N. Wadia resigned his seat prior to his departure to England and Mr. C. N. Wadia was elected in his stead.

BOMBAY IMPROVEMENT TRUST.

ASSOCIATION'S REPRESENTATIVE.

In accordance with the provisions of Section 11 of the Bombay Improvement Act, 1898, Mr. N. N. Wadia, C.I.E., was elected to represent the Association on the Board of Trustees in place of Mr. S. D. Saklatvala; whose term of office expired on the 31st March, 1925.

Towards the end of November, 1925, Mr. N. N. Wadia resigned his seat and the Committee appointed Mr. C. N. Wadia, C.I.E. in his stead.

BOMBAY PORT TRUST.

Association's Representative.

Early in January, the Secretary to the Board of Trustees of the Port of Bombay requested the Association to elect a representative in place of Mr. N. B. Saklatvala, C.I.E., whose term of office on the said Board expired on 31st March, 1925.

Accordingly, an election was held and resulted in **Mr. Saklatvala** being again returned unopposed.

BOMBAY SMOKE NUISANCES COMMISSION.

The Association was informed about the middle of November that the period of appointment of the Bombay Smoke Nuisances Commission would expire on 31st December last, with effect from which date a new Commission would be constituted under the Act for a further period of two years. The Association was therefore requested to nominate two representatives, and the Committee re-elected the present representatives, **Messrs. N. B. Saklatvala and W. A. Sutherland,** to act on the Smoke Nuisances Commission for a further period of two years.

VICTORIA JUBILEE TECHNICAL INSTITUTE—BOARD OF MANAGEMENT.

Association's Representative.

(*See Report for* 1924, *page* 19.)

During the year under review, Mr. C. N. Wadia, C.I.E., resigned his seat as a representative of the Association on the Board of Management of the Victoria Jubilee Technical Institute. The Committee appointed **Mr. Ratansi D. Morarji** in his stead.

NATIONAL BABY WEEK.

Mrs. Cowasji Jehangir, Chairman of the Organising Committee of the National Baby Week, addressed a letter to the Association stating that Baby Week celebrations would be held during the early part of 1926 and requesting the Association to nominate a representative. She added that on the last occasion the Association's representative, Mr. S. D. Saklatvala, had rendered her Committee considerable help and she desired that Mr. Saklatvala might be re-nominated. The Committee accordingly re-nominated **Mr. Saklatvala** to act as the Association's representative.

RULES AND REGULATIONS OF THE ASSOCIATION.

Members are aware that at the Annual General Meeting of the Association held on 23rd February, 1925, a resolution was passed adopting the Revised Rules and Regulations of the Association, which were subsequently published in the Association's Report for 1924. In connection with these revised rules, it might be mentioned that the advisability of making the Association a limited company was fully discussed by the Committee, but it was eventually agreed that the present constitution should remain unaltered. The only apparent advantage which would accrue by having the Association registered as a limited company would be that the securities of the Association could be invested in the name of the company. Hitherto securities were lodged with the Imperial Bank in the name of the Chairman and Secretary for the time being, and this entailed an annually recurring expense when they were transferred to the name of the incoming Chairman. In order to overcome this difficulty special rules have been framed providing for the investment of securities in the names of two permanent trustees, and in accordance with the resolution passed at the meeting held on 23rd February, 1925, the Association's securities are now standing in the name of the two trustees appointed at the meeting, *viz.*, Mr. Ratansi D. Morarji and Mr. H. P. Mody.

MEMBERSHIP OF THE ASSOCIATION.

The total membership of the Association on 31st December, 1925, was 93 against 97 at the same time in 1924.

During the period under reference the following Mills resigned membership :—

1. The Hukamchand Mills, Ltd.,
2. The Wallace Flour Mills Co., Ltd.,
3. The Bombay Flour & Oil Mill Co., Ltd.,
4. The Jalgaum Mfg. Co., Ltd.
5. New Pachora Mfg. Co., Ltd.

and the undermentioned Mill was elected a member of the Association :—

1. Manchester Mills.

AUDITORS OF THE ASSOCIATION.

At the Annual General Meeting of the Association held on 23rd February, 1925, Messrs. A. F. Ferguson & Co. were again elected as Auditors of the Association's accounts for the current year on the usual terms.

THE MILLOWNERS' MUTUAL INSURANCE ASSOCIATION, LTD.

(*See Report for* 1924, *page* 21.)

It was stated in the report for 1924 that in order to retain the working expenses of the Bombay Millowners' Mutual Insurance Association as low as possible, the Committee of this Association were pleased to allow the "Mutual" the free use of the Association's telephone, electric lights and other office

equipment for a period of one year. This period of one year expired on the 30th June, 1925, and the Committee after careful consideration decided to charge Rs. 150 per month to the "Mutual" by way of office rent, and the use of office equipment, etc.

In May, 1925, the Secretary of the Millowners' Mutual Insurance Association, Limited, addressed an interesting letter to this Association detailing the results of the working of the "Mutual" during the ten months of its existence.

It was pointed out in the letter that until the establishment of the "Mutual" the rate decided upon by the Tariff Insurance Companies for cotton mill risks under the Workmen's Compensation Act was Re. 0-8 per cent. On the recommendation of their Insurance Adviser, the "Mutual" decided to charge half the tariff rate, that is, Re. 0-4 per cent., and immediately this decision was arrived at, the Tariff Companies endeavoured to frustrate the "Mutual" by reducing their rate to the same figure. Thus, had it not been for the "Mutual," the original rate of Re. 0-8 per cent. would in all probability not have been reduced. It was further pointed out that the preliminary and working expenses had been kept very low, and it was expected that the balance on hand at the end of the first year would be 50 per cent. of the income. Under the Articles of Association of the "Mutual," no bonus to members can be distributed until after the Association had been in existence for three years, but if results continued as satisfactory as at present, members would receive a substantial bonus at the end of this period.

Another most important result of the formation of the "Mutual" was the drastic lowering of rates for fire insurance by the Tariff Insurance Companies, which was brought about by the "Mutual" having discussed the possibility of extending its activities to fire insurance business.

The Committee forwarded a copy of this letter to all members of the Association with a very strong recommendation that all members should extend their support to the "Mutual," not only in the interests of their individual concerns but in the interests of the industry as a whole.

(*Appendix* **1**.)

THE INDIAN FACTORIES ACT (AMENDMENT) BILL.

A Bill to amend the Indian Factories Act was introduced in the Legislative Assembly by the Hon'ble Sir B. N. Mitra on 17th September, 1925, when it was resolved that the Bill be circulated for the purpose of eliciting opinions thereon. Government accordingly forwarded a copy of the Bill to the Association and solicited the Association's views regarding the amendments proposed to be made in the Factory Act.

In the Statement of Objects and Reasons attached to the Bill, it was stated by Government that the Indian Factories Act, 1911, as radically revised by Act II of 1922, was found to have worked smoothly on the whole, but administrative difficulties had arisen in connection with certain sections of the Act. These were discussed at a conference of the Chief Inspectors of Factories whose recommendations to allow greater elasticity in some directions and to increase control in others in order to ensure smoother working of the Act had been incorporated in the Bill under consideration.

The Bill was carefully considered by the Committee whose views as conveyed to Government are summarised below :—

One of the most objectionable clauses in the Bill, in the opinion of the Committee, was clause 5 which laid down two additional provisions regarding temperature regulation. While the Committee agreed that every reasonable means should be adopted and every reasonable precaution should be taken by employers to obtain comfortable working conditions in the establishments under their control in the interests of health and of efficiency, they were strongly of opinion that no really satisfactory solution of the ventilation problem would be possible until a definite standard or standards by which the comfort of atmospheric conditions in different classes of factories and different parts of the country had been solved and generally agreed to or accepted. The clause vaguely provided that ' a reasonable temperature ' should be maintained in every factory, but the Committee confidently asserted that Factory Inspectors without a satisfactory basis, on which to build up their conclusions would, in 99 per cent. of cases, be unable to substantiate a charge (before an expert tribunal) that a reasonable temperature had been exceeded. The Committee pointed out that a perusal of the report on humidification submitted to Government in March, 1923, ought to satisfy them regarding the utter futility of the proposed regulation, which could not possibly add to the effectiveness of the sanitary provisions of the existing Act, and would be likely to lead to contradictory decisions by different Factory Inspectors and in different provinces which might adversely affect the possibility of introducing satisfactory ventilation standards in future. The Committee therefore strongly urged the entire deletion of this clause which placed very arbitrary powers in the hands of Factory Inspectors on a subject of considerable complexity.

The Committee impressed upon Government the necessity of completely re-drafting Section 19 of the present Act which prohibited women and children from cleaning machinery in motion. There could be little doubt that a strict interpretation of the section would prevent women and children from performing many necessary minor cleaning operations incidental to a process and which were always considered to be a necessary part of the process—for example, the cleaning of under rollers on the ring frame and mule. The proposed amendment of the section by the incorporation of clause 7 of the amending Bill was certainly not in the right direction, and if strictly interpreted would practically mean the discontinuance of almost every operation of cotton manufacture. In the opinion of the Committee, this position should be remedied not by amending the Act in the manner suggested by the Government of India but by an entire re-drafting of Section 19 specifically laying down what types of cleaning were prohibited in the case of all operatives. The English Act could be considered as a suitable guide in this respect, and modifications of Section 13 of the Factory and Workshop Act of 1901 to suit Indian conditions might be substituted for the present Section 19 of the Indian Act instead of the amendment now proposed. The Committee also wished to impress upon Government, with all the emphasis at their command, the unreasonableness of retaining a clause in the Indian Act which made an employer liable to a fine of Rs. 500 when a workman was doing cleaning which was an essential part of a manufacturing operation.

As regards the question of rest intervals, the Committee had expressed their views very clearly in their reply to the Government of India's letter dated 6th June, 1923, in the course of which they had stated :—

> "If, as is pointed out, the intention of the Legislature has been frustrated owing to the wording of this particular clause, my Committee are of the opinion that Section 21 (1) (*a*) (*ii*) might be amended, the necessary care being taken to ensure that the rest intervals occur at suitable intervals during the working day, preferably about midday, and that the work-people desire the change.
>
> "The possibility of inserting a rest interval at the end of a day must be avoided. My Committee think that the full hour's rest should occur before the eighth hour's work."

The proposed amendment (clause 8) judged by this standard was still unsatisfactory, and in any event, the clause as at present worded would not prevent a mill from working with what really amounts to half an hour's recess per day instead of one hour, for, under the present clause, rest intervals in a ten-hour day could be arranged : five hours' work—half an hour's recess—five hours' work—half an hour's recess. The last portion of the present clause would not be contravened because there would not have been a period of six hours' work before or after a half-hour break and the provisions of the Act would nominally have been followed. The Committee suggested that Section 21 (1) (*a*) (*ii*) should be amended as follows :—

> "(*ii*) At the request of the employees concerned and with the approval of the employer concerned, periods of rest at intervals not exceeding five hours, of not less than half an hour each, the total duration of the periods of rest of that day being not less than one hour for each eight completed hours of work."

Such an amendment would ensure that one hour's rest interval was given before the end of a day and at suitable intervals, and would, in addition, prevent a change of rest intervals being forced upon an employer who did not deem such a change desirable in the interests of efficient working (*vide* this Association's reply to Government of India letter, dated 6th June, 1923).

The suggested new clause which it was proposed to add to Section 21 to permit a half-hour rest interval for male employees when the working day did not exceed 8½ hours was opposed by the Association when put forward in 1923 on the grounds that it might encourage the undesirable practice of double-shift working. One of the Government's reasons for encouraging the proposal was that it might lead to a reduction of hours of work in some factories. How it would do this was not explained. An hour's recess was little enough when the general climatic conditions of India were considered and the Committee were therefore opposed to the proposed amendment which did not appear to have been extensively desired, complicated the Act, would add to the labour of Inspectors in factories where men, women and children were employed, as was the case in nearly all industries, and would lead to a decrease rather than an increase in efficiency of working.

The amendments proposed under clauses 10, 12 and 15 of the Bill were entirely in the right direction and had the Committee's warm approval, though they believed that still further modifications might have been included with advantage in clause 10.

The Committee's views regarding some less important clauses not referred to above were as below :—

Clause 9.—The Committee had no objection to this clause which sought to relax in certain cases the existing prohibition against the employment of women and children in more than one factory on the same day if Factory Inspectors as a whole considered this change advisable, but it was pointed out that the clause opened up dangerous possibilities in districts where seasonal factories work double shifts or extended hours.

Clause 16.—For the better observance of the provisions of the Factory Act, the Committee agreed with Government as to the advisability of making it necessary for changes in the standing orders of a factory to be posted up before being put into operation and notified to the Factory Inspector within 24 hours.

Clauses 17 and 22.—These amendments were consequential to the amendment proposed under Section 50 of the Bill which had already been strongly condemned above.

Clause 20.—The Committee had no objection to an Inspector being allowed to conduct the prosecution for offences under the Act.

Clause 21.—The Committee agreed that in view of the reasons given in the Statement of Objects and Reasons attached to the Bill, the proposed amendment was necessary. (*Appendix* **2.**)

FURTHER AMENDMENT TO THE INDIAN BOILER REGULATIONS.

Early in October, the Government of India published the draft of further amendments to the Indian Boiler Regulations proposed to be made in exercise of the powers conferred by Section 28 of the Indian Boilers Act, 1923.

It would appear that the draft amendments were proposed in order to bring the existing regulations into conformity with modern Boiler construction and to meet the case of new types of Boilers which would not comply with some of the present regulations. The Committee were of the opinion that there was nothing objectionable in the proposed amendments provided they were not made applicable to Boilers already *in situ*, or ordered, which complied with the present regulations. The Committee further deemed it advisable that Government should forward copies of the proposed amendments for expert criticism and opinion to the leading Boiler makers, Boiler Makers' Agents and Engineering Associations in India in order that Government might have the benefit of their special knowledge.

These views of the Committee were communicated to Government early in November. (*Appendix* **3.**)

BOILER ATTENDANTS' EXAMINATION.

The Boiler Attendant's Examination Rules prescribed in Part II of the Bombay Boiler Rules, 1924, provide for a practical test of the candidates on a wider scale than was in force before for the third class Engineers' Examinations under the old rules. The candidates have now to demonstrate actually on boilers their ability to perform the various tests required of them, and factories, mills or workshops are the places prescribed by the rules for such tests.

Heretofore third class candidates were examined at His Majesty's Mint, where a few boilers were available for the purpose. But recently, owing to the installation of electric power, all boilers had been removed, and the Collector of Bombay therefore addressed the Committee early in March and desired permission to examine the candidates at the mills. The examiners will be asked to take batches of candidates to the mills, due notice of which will be given to the managers of mills concerned.

In reply, the Committee expressed their willingness to give the requisite facilities to the Collector for Boiler Attendant's Examination, and mills belonging to members have been placed at the disposal of the Collector from time to time in connection with these examinations. (*Appendix* **4**.)

BILL TO PROVIDE FOR THE REGULATION OF GINS AND PRESSES.

(*See* 1924 *Report, pages* 33 *and* 188.)

In September, 1924, in accordance with the motion adopted by the Legislative Assembly, the draft Bill to provide for the regulation and control of cotton ginning and pressing factories in India was circulated for the purpose of eliciting public opinion. The Association's views on the proposed legislation were requested by the Government of Bombay at the instance of the Central Government. The reply subsequently submitted by the Committee is summarised on page 33 of the last issue of the report.

The Bill came up for discussion in the Assembly on 2nd February, 1925, when the House accepted the suggestion of the Hon'ble Sir Charles Innes to refer the Bill to a Select Committee.

In submitting their report, the Select Committee proposed to reduce the amount of penalties, to modify the rules regarding maintenance of records and submission of returns, to exclude small ginning factories from complying with certain structural requirements, and generally to make the Bill less stringent in application.

The Select Committee's report was presented to the House on 23rd February and the Bill as amended by the Select Committee was finally passed on the 5th March, 1925, received the assent of the Governor-General on 18th March, and became law on 1st August 1925.

THE COTTON GINNING AND PRESSING FACTORIES ACT.

RULES.

Sections 12 and 13 of the Cotton Ginning and Pressing Factories Act empower the Government of India and the various provincial Governments respectively to issue the necessary rules in connection with the practical application of the Act. But when the above legislation was under discussion in the Assembly, an undertaking had been given on behalf of Government that all branches of the cotton industry would be consulted in regard to the rules to be made under the Act.

The question therefore formed the subject-matter of a lengthy communication addressed by the Central Government to the Government of Bombay, and this Association was requested by the latter to express an opinion on the draft rules framed by the Government of India under Section 12 and also the rules prepared by the Central Cotton Committee for the guidance of the provincial Governments in framing rules under Section 13.

What appeared to the Committee to be most objectionable in the rules was the far too elaborate system of marking the bales which Government sought to introduce. A brief summary of the markings as required under the proposed rules is given below :—

> Each factory was to be allotted a special mark consisting of a number denoting the district and a letter denoting the province in which the factory was situated, together with a number denoting the factory—the number denoting the factory to run consecutively within each province, and a mark once allotted to a particular factory to be non-transferable. The serial number was to consist of two parts separated by a star—the first part consisting of two numerals being the last two integers of the calendar year in which the cotton year has commenced, and the second part being the running number of the bale according to the press factory register. It was further laid down that the cotton year should be deemed to commence on 1st September in each calendar year and to terminate on 31st August next following, except in the Madras Presidency where the dates for the commencement and ending were to be the 1st day of February and the 31st day of January respectively. The instructions as to the manner in which the bales were to be marked with the above particulars were to the effect that the special mark and the serial number of the bale should be indelibly punched or stamped on any part of the central hoop of the bale in such a manner as to be clearly decipherable. Provided that if the bale was lashed with less than three hoops the marks were required to be punched on either of the hoops (if two hoops be used) or near the middle of the hoop if one hoop only be used. The letters and numbers used were required to be in no case less than one-quarter of an inch in length. English letters and numbers only were to be used, and the factory mark was to be separated from the serial number by a star, the order to be observed being as follows :—
>
> > Number denoting district—letter denoting province—number denoting factory—star—numerals denoting cotton year—star—running number of bale.

An illustration was given of a bale of cotton pressed at a factory in a district in the Bombay Presidency in February, 1926, and bearing the marks "11B161*25*3456." In this mark, 11B161 is the factory mark, 11 denoting the district, B the province and 161 the number allotted to the factory; 25*3456 is the serial number, 25 representing the cotton year commencing on 1st September, 1925, and 3456 is the serial number.

In connection with these rules, the Indian Central Cotton Committee informed the Association that the proposed marks on the hoops could be made easily by the use of steel letter punches. A simple machine for marking hoops was obtainable at a cost of about £20, and the Indian Central Cotton Committee had ordered one of these for trial and demonstration purposes.

In their reply to the Government of Bombay, the Committee stated that they were of opinion that the marks required were much too elaborate, and considering the labour that was available in up-country districts where the ginning and pressing factories were situated, punching of all these particulars would cause much confusion and was sure to result in serious mistakes. With a punching machine of the type referred to by the Indian Central Cotton Committee, the first four marks could be automatically punched but the running number of bales would require to be punched by hand for each bale unless the punching machine was fitted with a mechanism like the book paging machine by which numerals were printed. Besides, in view of the fact that punching machines would have to be imported from England, the Committee were of opinion that the rules for marking of bales should not be brought into force by Government for a year, until the pressing factories had imported such machines. But even with the punching machine, it would be possible to punch only four marks, *viz.*, number denoting the district, letter denoting the province, number denoting the factory, and numerals denoting the cotton year, with special dyes manufactured for each punching machine for each factory. In the Committee's opinion, the greatest difficulty lay in punching the running number of bales which was not practicable by the labour available in up-country districts unless a high-class fitter was put on to do this work. The Committee therefore held that it would be better if the running number of the bales were allowed to be stencilled on the long side of the bale and not on the end of the bales so that the canvas would not be taken off, as would be the case if such running numbers were marked at the flat end of the bales.

The Committee, however, were strongly of the opinion that the whole system of marking was much too elaborate and could be easily simplified. In their opinion, there was no necessity for marking the number denoting the district. It would be quite sufficient if the number denoting the factory was punched on the hoops as in the case of motor cars. Such numbers could go up to ten thousand without the slightest hitch or difficulty as in no province were there more than one thousand factories and it would allow ample room for expansion. Thus, referring to the illustration given above, the Committee considered that B161 would be quite adequate, for it could be easily ascertained from a printed list in what district that factory was situated where the bale in question was pressed.

The Committee were also of opinion that numerals denoting the year was not necessary. This might be useful for tracing, after one or two years, false packed bales which might have been exported to the Continent, but such cases were few and far between. The great fraud to be guarded against was the one caused in the trade by the mixing of cotton and passing it on as of a better district than where it was grown and pressed, and for the detection of such fraud it was enough to denote only the province and factory number.

The rules finally adopted by the Government of India and the Government of Bombay are reproduced in full in the appendix. (*Appendix* **5.**)

THE BOMBAY SMOKE NUISANCES ACT, 1912.

Early in May, the Government of Bombay published a Bill further to amend the Bombay Smoke Nuisances Act, with the following Statement of Objects and Reasons :—

> " The cost of the administration of the Bombay Smoke Nuisances Act, 1912, is at present borne by the general revenues. The Retrenchment Committee has recommended that this cost should be borne by the municipalities and other local bodies concerned. It is the duty of such bodies to provide for the abatement of nuisances generally and smoke nuisances in particular, affecting as it does the health and comfort of persons residing within their respective areas.
>
> " The amendment of the Act now proposed will empower Government to levy the cost of the administration on the municipalities, district local boards and notified area committees of cities and areas to which this Act has been extended, and which are now benefiting at public expense."

After due consideration, the Committee made a representation to the Government of Bombay in which they stated that they had no objection to the cost of the administration of the Bombay Smoke Nuisances Act being transferred to municipalities, provided the control and management of the Department remained vested in the Government as at present, and the municipalities did not levy fresh taxation on industries in order to recoup the costs proposed to be levied on them by the Bill under consideration. Government were also reminded that in 1923 the schedule of fees for inspection of boilers was revised, and the new rates represented an advance of 50 to 75 per cent. on the fees previously charged. The Committee had not objected to this increase in rates as they were given to understand that the increase had become necessary in order to make the Steam Boiler and Smoke Nuisances Inspection Departments self-supporting. If, however, the costs of running the Smoke Nuisances Department were transferred to municipalities, Government would be making a substantial saving, and there would no longer be any necessity for keeping the boiler inspection

fees at their present level. The Committee, therefore, urged that in the event of the Bill under consideration being passed, Government should take the necessary measures for reducing the boiler inspection fees.

A reply was received from Government early in July in which they stated that the Bombay Smoke Nuisances Act was a Reserved subject and, therefore, its administration could not be transferred to municipalities. Government were, however, unable to give an assurance that municipalities would not pass on their share of the cost of working the Department to the industries concerned. As regards boiler fees, Government stated that a reduction in these fees was possible if the cost of the Bombay Smoke Nuisances Department could be recovered from the municipalities, but in Government's opinion it would be premature to consider this point until the Act was passed and was put into operation.

Government's reply was thus very vague, and the matter was further discussed with the Hon'ble Mr. Cowasji Jehangir, General Member of the Executive Council, when he met the Committee on 14th July, but the Hon'ble the General Member only reiterated what was stated in the letter from Government.

The Bill was expected to be introduced in the Legislative Council in July, but in view of general opposition to the Bill, Government thought it advisable to hold the Bill in abeyance for the present. (*Appendix* **6**.)

THE SIXTH INTERNATIONAL LABOUR CONFERENCE.

(*See Report for* 1924, *pages* 43 *and* 251.)

Early in December, 1924, the Government of Bombay forwarded to the Association for an expression of opinion thereon a copy of letter addressed to them by the Government of India on the conclusions arrived at at the last session of the International Labour Conference at Geneva. The formal items on the agenda of the Conference were :—

(1) Development of facilities for the utilization of workers' leisure.

(2) Equality of treatment for national and foreign workers as regards workmen's compensation for accidents.

(3) Weekly suspension of work for 24 hours in glass manufacturing processes where tank furnaces are used.

(4) Night work in bakeries.

With reference to the first item on the agenda, the Government of India observed that while the conclusions arrived at at the Conference contained nothing to which objection could be taken on grounds of principle, their efficacy in furthering the ends which the Conference had in view was still in doubt.

With regard to the equality of treatment for national and foreign workers for workmen's compensation, the Government of India pointed out that the Indian Legislation on the subject made no discrimination between nationals and aliens in respect of compensation and there appeared to be no objection to the acceptance of the general principle by the Government of India.

On the question of suspension of work in glass factories in India, Government stated that the industry concerned was passing through a period of transition. Automatic machines had been perfected and introduced in a large number of factories while at the same time a majority of factories still employed the older process. Moreover, the question had also proved to be a most contentious one and it was not improbable that it would fail to receive the requisite majority on the final vote.

The question of night work in bakeries was also equally controversial. The recommendations as drafted, apparently brought within its scope a large number of bakeries and possibly confectioners. The Government of India, however, had little information regarding the conditions of work in such occupations and the extent to which the hours of work obtaining for the time being were in conflict with the terms of the Convention.

The matter received the careful consideration of the Committee of the Association and their views were communicated to the Government of Bombay early in February.

The Committee heartily approved the intention which this recommendation obviously had in view, but at this stage of India's industrial development desired to deprecate any attempt to give effect to the recommendation as a whole by means of legislation. It was stated in Appendix I that the recommendation was in the nature of a corollary to the Washington Hours of Labour Convention, but it should be apparent to the Government of India that a great many of the suggested facilities were unsuitable for adoption in countries like India, where the industrial population was almost wholly illiterate and to a large extent unorganised. The recommendations were perhaps helpful inasmuch as they put before employers an ideal to be attained by a gradual process of education, but the Committee were strongly of opinion that the industrial population of India would not for many years to come arrive within measurable distance of the industrial countries of the West in regard to appreciating facilities of the type enumerated in the recommendation. It would be idle for Government to adopt the recommendation in its present form, and in their reply to the International Labour Office the Committee considered that it would be desirable to agree to the main principle of the recommendation, to point out the unsuitability of many portions of the recommendation as far as India is concerned, taking into consideration the stage of her industrial development and the illiteracy of the working population ; and to call attention to the willingness of the Government and employers to improve the facilities for the utilization of hours of leisure at present given to the workers in the manner best suited to the special needs of the country.

II. Equality of Treatment for National and Foreign Workers as regards Workmen's Compensation for Accidents.

As far as the Committee could see, there appeared to be no insuperable difficulties in the way of adopting the proposed convention, and they would be pleased to endorse any action which the Government consider necessary in regard to an amendment of the Workmen's Compensation Act for the purpose of carrying out the provisions of the convention. With reference to the proposed recommendation the Committee agreed with the remarks contained in the Government of India letter addressed to the Government of Bombay.

III. Weekly Suspension of Work for Twenty-four Hours in Glass Manufacturing Processes where Tank Furnaces are used.

The Committee had not sufficiently detailed knowledge of the glass-making industry of this country to submit a valuable opinion on this question, but in view of the fact that the Indian Factory Act provided for a weekly rest day in factories of all kinds, it would appear to be unnecessary to agree to ratify a convention the necessity for which was so hotly disputed at the last International Labour Conference.

IV. Night Work in Bakeries.

Lastly, the Committee had no opinion to offer except a general one to the effect that, as far as they were aware, bakeries upon a large scale were uncommon in India, and before agreeing to ratify the convention, the Government of India should make certain that the small employer would not be unduly penalised. (*Appendix* **7**.)

SEVENTH INTERNATIONAL LABOUR CONFERENCE.

Towards the end of December, 1924, notice was received that the Seventh Session of the International Labour Conference would be held in Geneva on 19th May, 1925. The formal agenda of the Conference consisted of four items :—

(1) Workmen's compensation.

(2) Equality of treatment for national and foreign workers as regards workmen's compensation for accidents (final vote on the Draft Convention and Recommendation adopted by a preliminary vote of the Conference at its sixth session).

(3) Weekly suspension of work for twenty-four hours in glass manufacturing processes where tank furnaces are used (final vote on the Draft Convention adopted by a preliminary vote of the Conference at its sixth session).

(4) Night work in bakeries (final vote on the Draft Convention adopted by a preliminary vote of the Conference at its sixth session).

Each State is represented by four delegates of whom two are Government representatives, one a representative of the employers and one a representative of labour. The right of nominating all the delegates for India rests with the Government of India, but in selecting the delegates for employers and labour, the Government of India will attach due importance to recommendations made by organised representative associations of employers and employed.

Towards the end of January, the Director, Labour Office, invited the attention of the Committee to a *communique* issued by the Government of India in this connection and desired to know whether the Association wished to make any suggestions as to the nomination of non-Government delegates.

Ever since the Labour Conference were inaugurated in 1919, Bombay and Bengal had nominated the Employers' representatives alternately, and according to this arrangement it would have been Bombay's turn to nominate the delegate for the forthcoming Conference. But after due consideration the Committee decided to waive their claim in favour of Cawnpore and, in consultation with the Ahmedabad Millowners' Association and the Jute Mills Association, Calcutta, Sir Thomas Smith, Kt., Managing Director of the Muir Mills, Ltd., had been recommended to Government for appointment as the Employers' delegate. The recommendation was accepted by the Government of India and the following members subsequently attended the Conference on behalf of India :—

TO REPRESENT THE GOVERNMENT OF INDIA.

Delegates.

Sir A. C. CHATTERJEE, K.C.I.E., High Commissioner for India.

Sir L. J. KERSHAW, K.C.S.I., C.I.E., India Office, London.

Adviser.

R. N. GILCHRIST, ESQ., M.A., I.E.S.

TO REPRESENT THE EMPLOYERS.

Delegate.

Sir THOMAS SMITH, Kt., V. D., Managing Director, Muir Mills Company, Limited, Cawnpore.

TO REPRESENT THE WORKERS.

Delegate.

N. M. JOSHI, ESQ., M.L.A.

Adviser.

CHAMAN LAL, ESQ., M.L.A.

(*Appendix* 8.)

INTERNATIONAL LABOUR CONFERENCE.

The Indian Merchants' Chamber forwarded to the Association a copy of their letter to the Government of Bombay in which they recommended that Mr. Narotam Morarji Goculdas be appointed to represent the Indian Employers at the Eighth and Ninth Sessions of the International Labour Conference to be held at Geneva in May and June, 1926. In view of the fact that marine questions are to be dealt with at the Conference, the Committee decided to support the nomination of Mr. Narotam Morarji Goculdas and informed Government accordingly. (*Appendix* **9**.)

HOURS OF LABOUR IN FACTORIES IN JAPAN.

NON-RATIFICATION OF THE WASHINGTON CONVENTION.

(*See Report for* 1924, *pages* 37 *and* 212.)

It was stated in the Association's Report for 1924, that the correspondence which the Committee had with Government on the above subject had led them to the conclusion that the only course left to them was to give a mandate to the Indian Employers' Delegate to the International Conference to call the attention of the Conference to Japan's non-ratification of the Hours of Labour Convention, and, if possible, to initiate steps to hasten ratification.

The Seventh Session of the International Labour Conference was held in Geneva about the end of May last and Sir Thomas Smith, the delegate on behalf of Indian Employers, raised the question of the non-ratification by Japan of the Washington Convention regarding hours of work. Sir Thomas Smith who, before his departure from India, was furnished with all the requisite papers by this Association, addressed an interesting letter to the Association in which he stated that prior to the discussion in the Conference, the Indian delegation had a meeting with the Japanese delegation which was kindly arranged by Sir Athul Chatterjee and Sir Louis Kershaw who attended the meeting along with Sir Thomas Smith, Mr. Joshi, Mr. Chaman Lal, and Mr. Gilchrist. In the course of his letter, Sir Thomas Smith said :—

> " The Japanese delegation were anxious to extend the discussion to the ' Scientific and Economic aspects.' It was difficult to get them limited to the plain question—' Did you or did you not promise to ratify, and why have you not ratified ? ' "

Sir Thomas Smith made a very effective speech at the Conference in which he pointed out that India stood very high in the matter of ratifications, and had adopted the Washington Convention regarding Hours of Labour, which Sir Thomas characterised as ' a wise and humanitarian move.' Sir Thomas Smith then proceeded to deplore the non-ratification by Japan and the following passages from his speech are worth reproducing :—

"Now, Sir, the failure of Japan to ratify, places India, which was prompt to ratify, at a great disadvantage. The longer hours worked by the cotton operatives in Japan give Japanese manufacturers a material advantage in competing in the Indian market, and that is one of the reasons—I do not say the only reason—why Japanese manufactures can be and are being dumped in Bombay at prices with which the Bombay manufactures cannot compete. It comes to this: Japan takes her cotton from India to Japan, manufactures it, sends it back, and is able to under-sell Bombay, which has cotton at its doors.

"The cotton industry in India has been and is still going through a period of grave stress, and it cannot regard with equanimity the unfair advantage taken by Japan. It therefore calls upon Japan to ratify the Hours of Labour Convention, and it asks this Conference to ensure by its moral support that Japan shall fulfil the undertaking which she entered into at Washington.

"Unless Japan ratifies, I can foresee retaliation by India in other directions which I need not speak of here. But I equally foresee a more deplorable thing, and that is that India will have nothing more to do with ratifications. India will look askance at Geneva—will be distrustful of Geneva. She has moved and is moving in the improvement of labour conditions; but unless Japan ratifies she will be compelled to stand still, in self-defence against a neighbouring Power which will not ratify, and, Sir, the effect of that will be that the interests of the worker will suffer. The progress of the worker in India as, indeed, in course of time, the progress of the worker in China also—will be measured, will be limited, by Japan. That, Sir, is a serious thought. It is a great responsibility. On the decision of Japan rests the fate of countless labouring thousands in the Far East. Let me, as one who has spent thirty years in India, and has in some small measure sought to advance the aims of labour, urge Japan not to provoke India to anger, but rather to good works."

Mr. Mayeda, the representative of the Japanese Government, made a halting and lame defence of Japan's conduct, but the most remarkable pronouncement was that of Mr. Suzuki, who attended the Conference on behalf of Japanese Labour. He severely condemned the policy pursued by the Japanese Government, and as regards the Washington Convention, he said:—

"As regards the Washington Hours Convention, as a representative of the workers' movement of Japan, I must acknowledge with great regret and disappointment the utter failure of the Japanese Government to ratify this Convention. The fault is so self-evident that I will refrain from labouring the point."

It is earnestly to be hoped that before long Japan will fulfil her international obligations in connection with this very important matter.

The official account of the discussion at the Geneva Conference on this important subject is reproduced in the appendix. (*Appendix* **10.**)

HEDGE CONTRACTS.

(*See Report for* 1924, *pages* 47 *and* 273.)

In the Association's report for 1924, particulars were given of certain definite proposals placed before the East India Cotton Association by this Association for widening the Hedge Contracts. These proposals were carefully considered at two joint meetings of the Sub-Committees of this Association and the East India Cotton Association and were further considered at a meeting of the Representative Committee of the Millowners' Panel of the East India Cotton Association held in the rooms of this Association. After very careful consideration, it was eventually agreed that the proposals put forward by the Association in the first instance should be modified as below, before being placed by the Millowners' Panel before the meeting of the Representative Committee of the East India Cotton Association :—

(1) The F.G.M.G. Bengal Contract (No. 1) did not call for any modification.

(2) The second proposal was that the existing Nos. 3 and 4 Oomras contracts should be amalgamated into one contract, that Barsi and Jaina cotton should be included in this contract and that the staple of the cotton tendered against this contract should not be less than $\frac{1}{2}$" and that the basis be F.G.

These proposals were approved by the panel, but it was deemed advisable to add a proviso to the effect that the clause regarding the staple should be the same as in the existing Oomra Contracts, *viz.*, Fair average of season, and that in view of By-law 61 (3) of the East India Cotton Association the basis of the proposed contract should be fine, and that half a class under fine be passed under the combined contract although F.G. would be tenderable.

(3) The third proposal of this Associaton was that the existing No. 2 F.G.M.G. Broach Contract and the existing No. 5. G.M.G Southern Contract should be amalgamated into one, and no cotton under $\frac{6}{8}$" staple should be tenderable against this contract. It was further proposed that Moglai Cotton from Latur, Nanded, Purna, Umri, Bhaigam, Kirkley, Mukhed and Parbhani should be made tenderable under this contract. No cotton under good to be tenderable against this contract.

After some discussion it was decided to delete Latur, Nanded, Purna and Parbhani from the proposed contract. It was further agreed that the staple of Bhaigam, Kirkley, Umri and Mukhed should be $\frac{7}{8}$" and not $\frac{6}{8}$".

Subsequently, Messrs. Forbes, Forbes Campbell & Co. addressed a letter to the East India Cotton Association in which they accepted the principle of broadening existing contracts and gradually reducing the number of contracts, but they did not think the time was ripe for carrying out any extensive alterations. Further, in their opinion, the proposals put forward by this Association were only slight palliatives and did not go to the root of the trouble. The only way to meet the difficulty as far as Messrs. Forbes,

Forbes Campbell & Co. could see, was not to widen the contracts by linking two similar styles together such as Fine and F.G. Oomras but to widen them by linking the contracts where possible, *viz.*, by making C.P. No. 1 tenderable under Broach and Oomras and by making Tinnevellies and Cambodias tenderable under both Broach and Southerns. Messrs. Forbes, Forbes Campbell & Co. stated that this arrangement would tend to make the three main 'Sutta' contracts, *viz.*, Broach, Oomras and Southerns move more or less together. As regards the question of staple, Messrs. Forbes, Forbes Campbell & Co. were of opinion, on the analogy of Liverpool, that the staple of the Broach and Oomra contracts, should continue to be F.A.S. of the season rather than a definite length. Messrs. Forbes, Forbes Campbell & Co.'s definite suggestions were that there should be four contracts as below :—

(*a*) *F.G. Bengals.*—as at present. Delivery—December, January, March, May, July.

(*b*) *F. G. Broach.*—as at present but with option of tendering C.P. No. 1, Tinnevellies and Cambodia. Delivery—February, April, June, August.

(*c*) *Fine Oomras.*—as at present but Jalna and Fine Khandeish to be included and option of tendering any cotton tenderable against the Broach Box. Delivery—December, January, March, May, July.

(*d*) *Good Southerns.*—as at present but with option of tendering any cotton tenderable against the Surat and Punjab/American Boxes. Delivery—May, July, August, September.

These proposals were considered by the Board of Directors of the East India Cotton Association and were accepted by them in a somewhat modified form as below :—

(1) *F.G. Bengals, Contract No.* 1.—as at present. Delivery—January, March, May, July.

(2) *F. G. Broach, Contract No. II.*—as at present, but with option of tendering Fine C. P. No. 1, Tinnevellies, *Karungannis* and Cambodia. Delivery—March, April, June, August.

(3) *Fine Oomras, Contract No. III.*—as at present with addition of all stations at present tenderable against F.G. Oomra Contract and Jalna, and with option of tendering any cotton tenderable against the Broach Contract. Delivery—January, March, May, July, September.

Note.—Cotton tendered for January, March and May delivery if awarded more than half a class off Fine, to be rejected.

Cotton tendered for July and September delivery to be rejected if awarded more than full class off Fine.

(4) *Good Southerns, Contract No. IV.*—as at present but with option of tendering any cotton tenderable against the Surat, Navasari, Rajpipla and Punjab/American standards.

Delivery—May, July, August, September.

Staple and liability for rejection of the added cottons in (2), (4) and Broach in (3) to be the same as shown in their respective contracts.

The Committee of this Association were of opinion that although these proposals did not meet all the genuine requirements of trade, still they were a beginning in the right direction and might be accepted for a year's trial. At the same time, the Committee recommended the members of the Millowners' panel of the East India Cotton Association to make the following points quite clear at the meeting of the East India Cotton Association :—

(1) That in the opinion of the Millowners' Association, as at present the Southern Contract would never be traded in, it ought to be amalgamated with the Broach Contract.

(2) As regards the Oomra amalgamated Contract, there seemed no justification for the difference in standard as regards cotton tendered before May and cotton tendered after May. The same standard, *i.e.*, Fully Good should be kept in both cases.

The proposals came up before the General Meeting of the East India Cotton Association held on 22nd June, 1925, but the Muccadams' and Jethavalas' Panel who did not understand the nature, scope and real meaning of Hedge Contracts, voted against the proposals. It would thus appear that the present constitution of the East India Cotton Association has been a stumbling block in the way of introducing necessary reforms, notwithstanding the desire of the Board of Directors to introduce these reforms. The subject will again engage the attention of the Committee of this Association in 1926. (*Appendix* **11.**)

BOMBAY COTTON CONTRACTS ACT.

Section 1 (2) of the Bombay Cotton Contracts Act, 1922, provides that the Act shall remain in force for three years and for such period thereafter as the Governor in Council may by notification direct. The period of three years was to expire on 27th December, 1925, and the East India Cotton Association proposed to Government that the duration of the Act might be extended by five years. Early in July the Government of Bombay addressed a letter to this Association asking for the Association's views regarding the proposal made by the East India Cotton Association.

The Committee were unanimously of the opinion that the proposal of the East India Cotton Association should not be acceded to. In communicating this opinion to Government, the Committee drew Government's attention to the following facts :—

It was first pointed out that in the letter the Committee addressed to Government in April, 1924, on the subject of the new By-laws of the East India Cotton Association, they had expressed their great dissatisfaction at the fact that the number of Hedge Contracts was not reduced, as was imperatively necessary in the interests of genuine traders as distinguished from speculators. However, in the hope that the East India Cotton Association might be able to effect the requisite reform in the course of a year, the Committee agreed to accept the By-laws in their entirety as a temporary expedient for a period of *one year only*.

Government were next informed that certain proposals regarding the widening of Hedge Contracts made by this Association were fully discussed at joint meetings with the Board of the East India Cotton Association. Subsequently the Chairman of the East India Cotton Association invited other members to give their opinion on the proposals of this Association to widen the Hedge Contracts, and he also recommended the adoption of the scheme proposed by Mr. V. A. Grantham of reducing the present Hedge Contracts to four for the time being and widening these four contracts. However, at the General Meeting of the panels of the East India Cotton Association held in June, 1925, this motion was thrown out by the votes of the Mucadams' and Jethawalas' panels who without understanding the nature, scope and real meaning of Hedge Contracts, voted against the proposed four Hedge Contracts. The Committee's experience was that the present constitution of the East India Cotton Association had been a stumbling-block at all times when a reduction of Hedge Contracts had been proposed, notwithstanding the desire of the Board of Directors to introduce reforms. This Association hoped that the Board of Directors would use their best endeavours to remedy the existing state of things, as otherwise it would be necessary to consider seriously whether it would not be advisable that the Mucadams' panel should be entirely abolished.

It was further pointed out to Government that some time back the Directors of the East India Cotton Association permitted trading all 24 hours of the day under the discretionary powers given to them for use in emergencies only. Further, the East India Cotton Association were not very prompt in taking effective steps to do away with the Kucha Kandy business, and disciplinary action was not always taken against the members of the Association who were breaking the By-laws. This Association, as far back as June, 1924, addressed a strong letter to the Directors of the East India Cotton Association in the matter, but discussion of this was postponed as their Chairman, Sir Purshottamdas Thakurdas, was engaged in the Legislative Assembly until the end of March, 1925. Since his return, the matter had formed the subject of correspondence and discussion between the two Associations for a period extending over three months, and the Committee were pleased that some time back the Board of the East India Cotton Association at last prohibited Kucha Kandy business, and also brought the business hours in line by forcing the members to a strict observance of the By-laws.

The final conclusion of the Committee was that the Bombay Cotton Contracts Act might be extended for two years only, to enable the Board of Directors of the East India Cotton Association to put their house in order and bring their Association into line with the big Associations of Liverpool and New York. The Committee were strongly opposed to the renewal of the Act for a longer period than two years after its expiration next December. (*Appendix* **12.**)

COTTON TRANSPORT ACT.

Effects on Surat, Kumpta and Dharwar Upland Cottons.

In January last, the Secretary to the Indian Central Cotton Committee addressed a letter to the Association desiring to know what had been the experience of the members of the Association in regard to the effects which the application of the Cotton Transport Act had on Kumpta, Dharwar and Surat cottons. The Secretary of the Indian Central Cotton Committee pointed out that the Cotton Transport Act had been the subject of attack in the Bombay Legislative Council on more than one occasion, and therefore the Indian Central Cotton Committee desired to know the views of the members of the Association. The members of the Committee of the Association were unanimous in their opinion that the Cotton Transport Act was a very sound piece of legislation and had done enormous good to Kumpta and other varieties of cotton mentioned above.

About the end of August, the Secretary to the Indian Central Cotton Committee again addressed another letter to the Association desiring to know the Committee's views regarding the effect of the Act on the quality of these cottons for the current season. The Committee in their reply stated that the very favourable views expressed by them last February regarding the effects of the Cotton Transport Act had been greatly strengthened by the further experience they had had regarding the working of the Act. (*Appendix* **13.**)

FUMIGATION OF AMERICAN COTTON.

(*See Association's Report for* 1923, *pages* 109 *and* 508.)

Under sub-section 1 of Section 3 of the Destructive Insects and Pests Act, 1914, the Government of India issued an order in November, laying down that American cotton should be imported in India only through the port of Bombay and between the 1st of November and 31st of May in each year subject to the following conditions :—

(*a*) That the importer should advise the Collector of Customs, Bombay, by cable of each consignment of cotton at the time when the ship carrying the consignment leaves the foreign port ;

(*b*) that the cotton should on arrival be fumigated with hydrocyanic acid gas or such other fumigant as might be approved by the Governor-General in Council; and

(*c*) that prior to landing the cotton the importer should pay or agree to pay either the actual cost of fumigation or costs at a rate, calculated to cover the cost of fumigation, which might from time to time be fixed by the Government of Bombay.

As a reference to the Reports for 1922 and 1923 will show, the Committee of this Association agreed as to the desirability of American cotton being fumigated on arrival in this country. The question was subsequently very fully discussed by the Indian Central Cotton Committee and that body, with the concurrence of the Association's representative thereon, came to the conclusion that the fumigation charges should be borne by the importers of American cotton. The Indian Central Cotton Committee had estimated these fumigation charges to come to annas eight per bale, but the Government of India in their Notification fixed the charge at as much as Rs. 3-6-0 per bale. Another objectionable feature about the rules framed by Government was that the minimum fee for the fumigation of any consignment of cotton was to be rupees one hundred and fifty. This practically meant that importers had to pay charges on about 45 bales at least, although the actual number of bales imported might be less than 45. This clause therefore was calculated to operate very unfairly on consignors of less than 45 bales, and the Committee are endeavouring their best to get this clause deleted and also the fumigation charges reduced.

The Notifications published by the Government of India and the Government of Bombay and some important rates prepared by the Bombay Port Trust will be found in the Appendix. (*Appendix* **14**.)

SUSPENSION OF THE COTTON EXCISE DUTY.

Critical State of Mill Industry—Effects of Japanese Competition.

The event of outstanding importance in the year so far as the Indian Cotton Mill Industry is concerned is, of course, the suspension of the Cotton Excise Duty from 1st December, 1925, as a prelude to its total abolition at Budget time in March 1926. The news was received with feelings of relief by both the millowners and the general public and it was everywhere felt that at last the British sense of justice and fairplay had vindicated itself by the removal, after thirty years, of an act of fiscal injustice unparalleled in any civilized country of the world.

The Association may look with pardonable pride on the very memorable part it has played in bringing about the abolition of this heavy and inequitable burden on the cotton manufacturing industry of this country. Until the Association started its campaign about two years ago, interest in the

removal of the Cotton Excise Duty was almost dead as the Dodo. The Association by its efforts centred Indian public opinion upon this question and made the removal of the Excise Duty once more a live issue. The unceasing activities of the Association have at last been crowned with success, and this very happy consummation of the Association's labours of the last two years bears eloquent testimony to the fact that the Association does perform a very useful function, and that it is the duty of mills throughout the country to extend their more effective support to the Association by becoming members.

The Cotton Excise Duty had been condemned on all hands from its very inception on historical, political and commercial grounds, but the acute crisis through which the industry has been passing during the last two years and the severity of the Japanese competition very considerably strengthened the case for the abolition of the duty. The Association's Report for last year contained an account of the propaganda work done by the Committee to bring about the abolition of the iniquitous duty, and during the year under review the Committee pursued their activities in this direction with unremitting vigour. There were prolonged discussions in the Legislative Assembly and in the Bombay Legislative Council. A memorial was addressed to His Excellency the Viceroy, and deputations from the Association waited on H.E. the Viceroy and His Excellency the Governor. In addition the Committee had interviews with Sir Basil Blackett, Sir Charles Innes, Members for Finance and Commerce with the Government of India and Mr. D. T. Chadwick, Secretary, Commerce Department, Government of India. The activities of the Committee and of the Imperial and Provincial Legislatures are detailed below in chronological order:—

The Association's Publications.

In addition to the two pamphlets referred to in last year's Report, the Association published the following three pamphlets:—

(1) A Review of the Debate in the Legislative Assembly on the Cotton Excise Duty.

(2) Proceedings of the Meeting held in the Sir Cowasji Jehangir Hall.

(3) Press Opinions on the Cotton Excise Duty.

All the five pamphlets were subsequently published together in book form with an introduction from the pen of the then Chairman, Mr. S. D. Saklatvala. This compilation attracted a good deal of notice and was very favourably reviewed by the Press.

Budget for 1925-26.

In view of the fact that during the preceding year the Legislative Assembly had passed by a large majority Mr. Kasturbhai Lalbhai's resolution demanding the repeal of the Excise Duty and that this Association's efforts in the same direction were backed up by public opinion as represented by the public Press and other representative bodies and especially considering that the industry was passing through the gravest crisis known in its history,

it was generally expected that in framing their Budget for 1925-26, the Government of India would see their way to redeem the pledge given by Lord Hardinge nearly a decade ago. The Budget introduced by Sir Basil Blackett on 28th February, 1925, came as a great disappointment to the public generally and to this Association in particular. Not only was the Excise Duty not abolished, but the Finance Member's Budget speech was conspicuous by absence of any reference whatsoever to this burning question which had been so intensely agitating the public mind. Government's treatment of the country's premier industry elicited strong protest from members of the Legislative Assembly who eventually refused to sanction the grant for running the Cotton Excise Department. Lord Reading, however, restored the grant by the exercise of the power of certification vested in the Viceroy under the Government of India Act.

DEPUTATION TO HIS EXCELLENCY THE GOVERNOR.

Soon after the publication of the Budget, a deputation from this Association headed by the Association's Chairman, Mr. N. N. Wadia, waited on His Excellency the Governor of Bombay on the 3rd March, 1925.

The Chairman and the Hony. Secretary of the Ahmedabad Millowners' Association also joined the deputation. Mr. N. N. Wadia, the Chairman, exhaustively traced the history of the imposition of the duty and pointed out its ruinous effects on the industry. He also dealt fully with the growth of Japanese competition, and pointed out how the Excise Duty was helping Japan to get a foothold in Indian and other markets. In view of the resolution passed by the Legislative Assembly last September and the unanswerable case made out for the abolition of the Excise Duty, it was confidently anticipated that the Finance Member would announce the repeal of the duty, and therefore the Budget had come as a great shock to the Association. In view of the unprecedented trade depression, there was now no other course left open to the Association but to consider seriously a reduction in wages and/or working short time. The Chairman explained to His Excellency the Governor that if labour troubles ensued as a result of the contemplated measures, Government should not blame the Association.

His Excellency the Governor's reply was very sympathetic, but he did not wish to go into the merits of the case for abolition of the Excise Duty as this was a matter which concerned the Government of India and not the Government of Bombay. He suggested that a joint representation by the two Associations might be sent to His Excellency the Viceroy through the Government of Bombay. In conclusion, he expressed the hope that the millowners would not find it necessary to resort to reduction in wages or to working short time, but if any such measures became necessary he suggested that the millowners should consult the labour leaders and mill jobbers and act in co-operation with them so as to avert the chances of a general strike.

(*Appendix* **15 A.**)

MEMORIAL TO HIS EXCELLENCY THE VICEROY.

In accordance with the suggestion made by His Excellency the Governor, a memorial was addressed to His Excellency the Viceroy jointly by the two Associations, quoting authoritative opinions against the Excise Duty and

pointing out at length how imperatively necessary it was to abolish the duty on political, moral and economical grounds. The competition from Japan was dealt with at length, and special stress was laid on the fact that Lord Hardinge's pledge to abolish the Excise Duty was made long before the Meston award fixing contributions from the Provinces to the Central Government, so that it was not fair to say, as Government did, that remission of provincial contributions should be given priority over the abolition of the Excise Duty. (*Appendix* **15 B.**)

MEETING WITH THE HON'BLE SIR CHARLES INNES, COMMERCE MEMBER.

On 2nd April, 1925, the Hon'ble Sir Charles Innes, Member for Commerce, met the Committee of the Association when a long and interesting discussion took place on various questions pertaining to the cotton mill industry of the country, such as the cost entailed on the industry by the Excise Duty in pre-war days and at present, incidence of the Excise Duty, Japanese competition and measures to combat it, burdens of taxation imposed on the industry, the increasing volume of labour legislation, etc. Two proposals were discussed for meeting Japanese competition, *viz.*, an enhanced import duty on coarse yarns and piece-goods up to 30s counts and an export duty on cotton. The Hon'ble Sir Charles Innes promised to consider these proposals carefully and to communicate his views to the Association in due course. (*Appendix* **15 C.**)

MEETING WITH THE HON'BLE SIR BASIL BLACKETT, FINANCE MEMBER.

Early in July, the Hon'ble Sir Basil Blackett met the Committee of the Association when another interesting discussion took place on practically the same subjects that were discussed three months earlier with Sir Charles Innes. The Chairman drew Sir Basil's special attention to the fact that the situation had grown much worse since the Committee met Sir Charles Innes, necessitating a preliminary notice being put up at the mills to the effect that unless trade improved, the Association would be forced by circumstances to consider and determine before the end of July the action to be taken in the shape of reduction of wages and for working short time.

Sir Basil Blackett, in reply, stated that he had just landed from England, and that he was not in a position to say what the policy of the Government would be. He was unable to make any announcement regarding the repeal of the Excise Duty without consulting the Government of India. He admitted the injustice of the imposition of the Excise Duty and agreed that the tax was wrong, but in the present state of Government finances he saw no chances at present for the removal of the Excise Duty. He was of opinion that the question of Japanese competition could be better discussed with Mr. Chadwick, who was present at the meeting, and who was going to give a second interview to the Committee of the Association two or three days later. (*Appendix* **15 D.**)

LETTER FROM AND MEETING WITH HON'BLE MR. CHADWICK, SECRETARY TO THE COMMERCE DEPARTMENT.

The question of Japanese competition and the proposals discussed with Sir Charles Innes regarding an export duty on cotton or an enhanced import duty on coarse yarn and piece-goods up to 30s counts elicited a long reply about the end of June from the Hon'ble Mr. Chadwick, Secretary of the Commerce Department.

In this letter, Government discountenanced the proposal for an export duty on cotton on the grounds enunciated by the Fiscal Commission in paragraphs 177 *et seq.* of their report. Government further contended that the volume of Japanese imports into India was not sufficiently large to justify the levy of an increased import duty. Elaborate statistics were adduced in support of this contention, and Mr. Chadwick concluded his very formidable letter of 15 pages with the expression of a desire to meet the Committee personally for a full discussion of the whole matter. Accordingly, a conference with the Hon'ble Mr. Chadwick was held on 6th July, 1925. The Committee had barely sufficient time to study Mr. Chadwick's formidable letter and prepare a detailed reply thereto, but it was apparent that Mr. Chadwick's handling of the mass of figures and statistics contained in his letter left a great deal to be desired. He did not give any consideration to the question of the prices at which Japanese goods were sold in India, nor did he examine the effects of Japanese competition on the export trade of India. The Committee had a long and illuminating debate with the Hon'ble Mr. Chadwick on 6th July, 1925. (*Appendix* **15 E.**)

DEBATE IN PARLIAMENT.

On 9th July, 1925, there was a debate in the House of Commons on Indian affairs, when Sir Frank Nelson turned to excellent advantage certain points previously furnished to him by Mr. S. D. Saklatvala, who had for some time past done very valuable service in England to the cotton mill industry of this country. Sir Frank Nelson, in the course of his speech, said :—

> "The Indian cotton industry at the moment is in very, very deep and very dangerous water. The competition of Japan is such that nothing is more likely than that a wholesale stoppage of work in the Indian cotton mills may take place. Therefore, I feel sure, as I have said before, that rather than run any risk of this happening to these 350,000 millhands, I know I shall have the support of most members above the Gangway in the gesture that this 3½ per cent. Excise Duty should be taken off. . . . . I do submit, if ever there were a time politically, morally or practically that this 3½ per cent. Excise Duty should be lifted, now is it that this House should express some kind of opinion upon it, and we should probably see the Government of India fall in with our view and lift it at the earliest possible opportunity."

Mr. Ramsay MacDonald effectively disposed of the very immoral doctrine that the Excise Duty had to be retained for the sake of the revenue it brought. "It is perfectly true," said Mr. Ramsay MacDonald, "that the Indian Govern-

ment needs the money. But, once again, a good deal would be done to settle opinion and feeling in India if the Government would repeat that it means to keep its pledge, that it would strive so to arrange the financial conditions of India that the 3½ per cent. will be at once taken off."

Earl Winterton, on behalf of Government, said :—

> "It is interesting for the first time, as far as I know, in the history of debates in this House, that there have been two members of the British Parliament who have advocated the abolition of this duty. Hitherto the situation has been that opinion in India has undoubtedly been almost overwhelmingly in favour of its abolition. I am making no new statement when I say the Government of India have said very definitely that if and when they are in a position from the revenue point of view, to do so, they will abolish the cotton excise. It would be improper to give any indication when that will be, as it would be divulging Fiscal or Budget secrets."

It may be pointed out that Earl Winterton made a serious error when he stated that for the first time in the history of debates in the House of Commons, members had advocated the abolition of the Excise Duty, for in the famous debate in the House of Commons on 14th March, 1917, several members had expressed themselves strongly against the continuance of the duty.

Debate in the Legislative Council.

Towards the end of July, a notice was put up at all mills intimating a reduction of 11½% in wages from 1st September, and it was generally anticipated that Bombay would soon be in the throes of a great labour crisis. On 30th July, 1925, the Bombay Legislative Council adjourned to consider the grave situation of the Bombay mill industry. Mr. S. K. Bole moved :—

> "In view of the grave situation in which the Bombay Cotton Textile Industry finds itself and the possible effect of the decision of the Mill-owners' Association to reduce wages of their workmen which will affect a lakh and fifty thousand operatives of Bombay and their families and also the effect of this situation on the welfare of the Presidency as a whole, this Council earnestly requests His Excellency the Governor in Council to be pleased to place the gravity of the situation before His Excellency the Governor-General in Council urging him to take such steps as would bring about immediate relief to the mill industry and the operatives working therein."

The resolution was carried unanimously, the speech made by the Association's representative, Mr. N. N. Wadia, being specially acclaimed as a very weighty pronouncement. The Honourable Sir Maurice Hayward, on behalf of the Government of Bombay, after complimenting the House on the very high level of debate observed during the discussion in the Council, made some very noteworthy remarks which are reproduced below :—

"I sympathise entirely with this motion. We are, Sir, face to face with a crisis of a most serious nature in a great industry which is the mainstay not only of the city of Bombay but, Sir, I think I may say, of the Bombay Presidency. I think, Sir, that the sense of unity between Capital and Labour displayed in this matter this afternoon is a happy augury of our being able to find a satisfactory way out of the present difficulty and a means of restoring the prosperity of that great industry. The capitalists, Sir, have shown they have at heart the welfare of their operatives. We find not only a representative in this House whose deeds have demonstrated beyond dispute this remark; but we know also, Sir, that there are other capitalist millowners outside this House who have consistently done their utmost for the welfare of their labourers. The care for the welfare of the labourers has also continuously been the anxious thought of the Bombay Government: We desire, Sir, to do all we can to mitigate in every possible way the difficulties under which the labourers live in the great city of Bombay. But we have at heart not only the interests of the labourers but we have also at heart the interests of the capitalists who have invested in this great industry so much of their savings and wealth. It will be our duty, Sir, to represent these views of the Bombay Government in forwarding to-day's proceedings to the Government of India.

"The commercial questions here debated are not, Sir, for me to enter into in detail, for one thing for lack of experience and for another because they have been better dealt with by several previous speakers but more especially because they are not within the immediate sphere of the duties of the Local Government. But, Sir, we will forward as early as we possibly can a full report of the debate which has taken place this afternoon in this House and we will move for the sympathetic and urgent treatment of this great crisis which is before us, the Presidency and the Bombay Government, and press that the representation involved in this motion shall receive the immediate and urgent consideration of the Government of India."

The Hon'ble Mr. Lawrence, in the course of his speech raised the question why cotton mills were losing although the margin between the price of cotton and of cloth was admittedly much higher than in pre-war years. Soon after the debate the Hon'ble Mr. Lawrence was informed by the Committee that the cost of all stores imported or bought locally, as also the cost of coal, had gone up, wages had increased considerably, mills had to pay considerably more in interest owing to double the amount of finance required, and the Excise Duty was also costing more to the mills owing to the rise in the price of piece-goods. Further, increased taxation was levied on the industry. All this accounted for the fact that cotton mills were losing money although the margin between the price of cotton and of cloth was higher than in pre-war days. (*Appendix* **15 F.**)

DEPUTATION TO HIS EXCELLENCY THE VICEROY.

On 24th August, 1925, a deputation consisting of the following gentlemen representing the two Associations and headed by Mr. N.N. Wadia, C.I.E., waited on His Excellency the Viceroy at Simla :—

N. N. Wadia, Esq., C.I.E. (*Chairman*).
Ratansi D. Morarji, Esq. (*Deputy Chairman*).
Sir Cowasji Jehangir, Bart.
The Hon'ble Sir Dinshaw E. Wacha, Kt.
The Hon'ble Mr. Munmohandas Ramji, J.P.
Narotum Morarji Goculdas, Esq.
Ebrahim G. Currimbhoy, Esq.
J. A. Kay, Esq., M.L.C.
A. J. Raymond, Esq.
Lalji Naranji, Esq., M.L.C.
Mangaldas G. Parekh, Esq.
Kasturbhai Lalbhai, Esq., M.L.A.

Mr. Wadia, after surveying the grave situation of the cotton industry and the effects of Japanese competition and the imperative necessity for abolishing the Excise Duty, pointed out the necessity of legislation on the lines of the English Safeguarding of Industries Act, and in this connection he drew the special attention of His Excellency the Viceroy to the recommendations made by the Indian Fiscal Commission in para 131 of their report.

His Excellency the Viceroy in his reply stated that he was well aware that the mill industry was in the trough of a wave of depression and he assured the deputation that he and his Government took a deep interest in the Cotton mill industry which His Excellency described as " the greatest and certainly the most typical Indian industry in India." As regards the cut in the wages of millhands, His Excellency was quite sure that the millowners took this step with great reluctance and only after satisfying themselves that it was absolutely necessary. At the same time he felt—and he was sure the millowners also felt—deep sympathy with those whose slender means of subsistence were being cut down.

Turning to Mr. Wadia's address, His Excellency expressed his appreciation for its moderation, and assured the deputation that their case had lost none of its force because it had been stated in temperate language.

As regards the Excise Duty, His Excellency stated that Government stood by the letter and spirit of the pledge to abolish it as soon as financial considerations permitted.

His Excellency next stated that the textile industries throughout the world were experiencing difficulties and the reason for this, in His Excellency's opinion, was that the price of cloth was still out of relation to the prices of other commodities. The very high cost of cloth was due to the high price of raw cotton. After dealing with the question of the American crop of cotton during the last three years, His Excellency said that this year there was a possibility of a really good crop and thus, in His Excellency's opinion, the end of one of the main troubles of the millowners was in sight.

But apart from this general cause, His Excellency was of opinion that a gradual change had come over the Indian Mill Industry which from predominantly a spinning industry, was now predominantly a weaving industry.

The installation of more and more looms during the war had greatly increased the production of cloth and this, in His Excellency's opinion, accounted for the present heavy stocks.

Turning to the remedies suggested, His Excellency said that he recognised the strength of the plea that the abolition of the Excise Duty would mean a reduction of nine pies per lb. in the cost of production, but in His Excellency's opinion the deputation had not realised what it meant to abolish the duty before the year had fully declared itself and before the commitments and prospects of next year were fully known. His Excellency urged that the time for taking stock of prospects was the time of the preparation of the budget.

As regards Japanese competition, His Excellency stated that he was quite willing to believe that the prices at which Japanese goods were being sold depressed the prices which Indian mills could get for their production, and he confessed that he was impressed by what the leader of the deputation had told him about the conditions of factory labour in Japan. As regards dumping by Japan, however, His Excellency desired further proofs.

As some slight relief to the industry, however, His Excellency stated that he had already ordered a revision in the tariff valuations for the current year in view of the fall in prices of piece-goods. He also made the suggestion that the Tariff Board might be asked to enquire into the condition of the Mill Industry in India for the purpose of determining whether it was in need of protection, and if so, what modifications were required in the tariff duties whether on imports generally or on imports from particular countries. His Excellency desired to know the Millowners' considered opinion on this suggestion. (*Appendix* **15 G.**)

DEBATE IN THE LEGISLATIVE ASSEMBLY.

On the 16th September, 1925, the Legislative Assembly passed by a substantial majority the following resolution moved by Sir Purshotamdas Thakurdas :—

> "That this Assembly recommends to the Governor-General in Council to be pleased to forthwith suspend the collection of the Cotton Excise Duty for the rest of the current year 1925-26 in view of the critical stage of the Indian textile industry as at present prevailing."

Sir Purshotamdas Thakurdas, Mr. N. M. Dumasia, Mr. Kasturbhai Lalbhai and Sir Darcy Lindsay strongly urged the necessity for immediate suspension of the duty. The Hon. Sir Basil Blackett and the Hon. Sir Charles Innes once more betrayed a deplorable failure to appreciate the intense gravity of the situation, and took shelter in the Government argument that the reduction in provincial contributions was more urgent than the abolition of the Excise Duty. The only redeeming feature was Sir Basil Blackett's statement that " Government must take the resolution as a demand for abolition in all circumstances without reference to financial considerations whether there is a surplus or not, as from the beginning of the next financial year."

Soon after the debate, the Committee addressed a letter to the leading newspapers characterising the speeches of Sir Charles Innes and Sir Basil Blackett as 'an attempt to draw a red herring across the trail' in order to confuse the issues. The letter went on to say "the issue before the country, first and foremost, is the *repeal of the Excise Duty* and until the first step is taken by Government as recommended by the Fiscal Commission, and the duty is repealed, the Association cannot logically take the further step of approaching Government with a plea for protection of the industry, even if protection is at all required."

"All talk of the millowners not wanting to face the Tariff Board is beside the point and a deliberate attempt by Government to gain time and to confuse the issues." (*Appendix* **15 H.**)

REPLY TO LORD READING—ASSOCIATION'S ATTITUDE TOWARDS THE PROPOSED INQUIRY BY THE TARIFF BOARD.

On 15th September, 1925, the Association addressed a letter to the Commerce Department in answer to the points raised by His Excellency the Viceroy in his speech to the deputation which had met him on 24th August. As regards His Excellency's proposals that the case of the cotton mill industry might be referred to the Tariff Board for inquiry the Association took its stand on paras 169 and 170 of the report of the Indian Fiscal Commission. It was therein stated :—

> "We recommend therefore that the existing Cotton Excise Duty should in view of its past history and associations be unreservedly condemned, and that the Government should frankly express their desire to clean the slate."

and further on it was stated :—

> "The course of action we propose would have the effect of providing the clean slate which public opinion demands and would meet the claim that without the consent of the State freely given, the Cotton Excise Duty should not be levied. When the slate has been wiped clean, it will be for the Government and the legislature in agreement to decide what new writing, if any, should be made upon it. The procedure which would enable the decision to be made would be as follows :—
>
> > "The Tariff Board should be directed to examine at the earliest possible moment the claim of the Indian cotton mill industry to protection."

In accordance with the above recommendations, the Association urged that the Cotton Excise Duty should be first repealed, and if subsequently the industry found itself in need of protection from countries with depreciated currency and sweated labour, it would be quite in order for them to approach the Government of India to ask the Tariff Board to make an investigation. Until the first step of "cleaning the slate" by repealing the Excise Duty was taken by the Government themselves, the Association could not entertain the proposal to ask the Tariff Board to make an inquiry.

As regards His Excellency's statement that the depression of the industry was due to over-production and installation of more and more looms in the Indian mills during the war, the Association pointed out that the installation of more and more looms in the Indian mills was due to the fact that the Indian mills' trade with China in yarn was cut off through installations of mills in China and increasing imports from Japan into China, with the result that the production of the spindles in India had to be utilized in manufacturing cloth. Moreover, the increase in the number of looms in Indian mills in recent years was insignificant compared to the growing needs of the vast population of 310 million souls. If, as His Excellency stated, the evil was of over-production all over the world, Japan did not seem to suffer from it for she still worked the mills twenty-two hours a day in two shifts of eleven hours each, in spite of the Washington Convention.

As regards the unfair competition which the Indian mill industry was meeting from countries which employed sweated labour and enjoyed the advantages of a depreciated currency, the attention of Government was invited to para 97 of the recently published report of the Collector of Customs, Bombay, on the Sea-borne Trade and Customs Administration of the Bombay Presidency for 1924 and to the reports of the Sea-borne Trade of India and the Review of the Trade of India in 1923-24 which bore ample testimony to the severity of such competition. It was further pointed out that the Government of India should be in a better position than the members of the Association to judge the nature and extent of the dumping by foreign countries that was taking place since Government obtained detailed figures from the Customs Department which were not available either to the Association or to the public.

In conclusion it was observed that the Government of India did not appear to have realised the gravity of the situation. If they had done so, they could have easily risen above "financial considerations," and would have come to the relief of the industry by righting a great wrong which had done not a little to shake the confidence of the people of India in the justice of British rule.

Some further correspondence ensued in which Government urged the advisability of an inquiry by the Tariff Board, but the Association made their attitude quite clear that an inquiry by the Tariff Board was out of the question until the Excise Duty was first repealed. One pleasant feature of this correspondence was that the Government of India dissociated themselves with allegations made in the Press and elsewhere regarding the manner in which mills were managed. It seemed curious to the Association that those who made such reckless allegations did not realise that they unwittingly insulted the intelligence of the shareholders who, after all, formed a very considerable portion of the educated and intelligent public.

(*Appendix* **15 I.**)

THE SUSPENSION OF THE DUTY—THANKS TO H. E. THE VICEROY, H. E. THE GOVERNOR, AND THE ASSOCIATION'S CHAIRMAN.

The Cotton Excise Duty was after long last suspended on 1st December by Ordinance No. 1 of 1925, and in the statement attached to the Ordinance it was made clear that the duty would be abolished at Budget time.

On the day the suspension of the duty was announced, the Committee held a special meeting and wired their grateful thanks to His Excellency the Viceroy for the relief given to the industry.

A letter was also addressed to His Excellency the Governor of Bombay recording the Committee's grateful appreciation for his strong and unceasing advocacy of the claim of Bombay's premier industry to that bare justice which the industry at last received at the hands of His Excellency the Viceroy. The Committee further stated that they had grave doubts whether the cotton industry of India would have obtained this much-needed relief even at this stage, had not His Excellency put up a persistent and determined fight for the great industry upon which so much of the prosperity of Bombay depended. It must be a source of no small gratification to His Excellency that he should have had some part in righting a "historic wrong," which, apart from its detrimental effects on the industry, had for thirty years rankled in the minds of the people of India as a humiliating affront to their sense of national dignity and self-respect.

A telegram was also sent to the Chairman in England, on the signal success which had attended his strenuous work in England and India to bring about the removal of the duty. (*Appendix* **15 J.**)

ALLEGED COMPETITION BETWEEN THE COTTON INDUSTRY OF LANCASHIRE AND OF INDIA—LETTER TO THE RT. HON. SIR CUNLIFFE LISTER.

Lancashire's Changed Angle of Vision.

Perhaps the pleasantest event that followed in the wake of the suspension of the Cotton Excise Duty was the statement issued jointly by the Federation of Master Cotton Spinners' Association, Limited, the Cotton Spinners' and Manufacturers' Association and the Manchester Chamber of Commerce. In refreshing contrast to the traditional attitude of Lancashire, the three important bodies gave their support to Lord Reading's action in suspending the duty and expressed their considered opinion that there was a potential purchasing power in India sufficient to engage the producing power of both Indian and Lancashire industries. They hoped that in the new situation now created they might find themselves moving towards a position where the needs of the Indian market would be met to an increasing extent by her own manufacturers in their class of product and by Lancashire in the types upon which she would naturally concentrate. In conclusion, it was stated that if the situation finally recognised by both parties could lead to the fostering of a better spirit of mutual sympathy, support and accommodation, Lancashire would be prepared to accept any difficulties which might be imposed on it by the suspension of the excise duty in a generous manner, and would warmly associate themselves with the aspirations of the Government of India that it might improve the situation in India.

The statement was received with approbation throughout the country, and this Association in particular was very gratified at Lancashire's changed

angle of vision after thirty years of mistaken hostility to the indigenous industry of this country. Apropos of this joint statement, the *Textile Mercury* stated in its issue of 19th December, 1925 :—

> "The combined spirit of agreement is so completely in contrast to Lancashire's previous attitude that many people must wonder what is the underlying cause. Is it a question of stooping to conquer or, in other words, to elevate the mood of India towards us and open up the road towards the restoration of our former balance of trade? The circumstances would seem to point to the conclusion that our previous attitude towards India, grim and persistent as it has been, was erroneous."

It was subsequently announced by the India Office that Lord Birkenhead had addressed a letter to the three bodies putting on record his and Lord Reading's appreciation of the spirit in which the suspension of the excise duty had been received by the representatives of the cotton industry of Lancashire and of Lancashire's generous recognition of the situation in India. This declaration, Lord Reading believed, should help in the future in bringing about a mutual understanding. Lord Birkenhead associated himself entirely with Lord Reading's views.

Earlier in the year, however, the Cotton Spinners' and Manufacturers' Associations had inveighed against the alleged 7½ per cent. protection given to the Indian industry by the then existing tariffs, and the Committee thought it advisable to address a letter to the Right Hon'ble Sir P. Cunliffe Lister, President of the Board of Trade, London, dispelling the delusion of the Cotton Spinners' and Manufacturers' Association. In the evidence by the last named body before the Government Committee on Trade and Industry on 18th March, 1925, it was stated :—

> "The incidence of the customs duty on imported goods into India has seriously affected the Lancashire manufacturers. In 1913 the customs duty was 3½ per cent. and the excise duty on home production was also 3½ per cent. The duty charged on imported cotton goods to-day is 11 per cent., whilst the excise duty still remains at 3½ per cent. or 7½ per cent. in favour of the Indian manufacturer."

The Committee in their letter to the Chairman, Board of Trade, London, pointed out that when the import duty was increased from 3½ per cent. to 7½ per cent. in 1917, protests were made by Lancashire manufacturers on the score that they were being handicapped against unequal competition in India, and Mr. Austen Chamberlain, the then Secretary of State for India, distinctly made it clear that the contention of the Lancashire manufacturers was without foundation inasmuch as the Indian manufacturers had to pay an import duty of 15 per cent. on all stores such as china clay, farina and other sizing ingredients, and dyeing materials and also on all accessories such as bobbins, shuttles, healds, belting, etc., used in the working of their mills. Moreover, Indian manufacturers had to pay freight and insurance charges on these articles and this increased the cost of manufacturing in India proportionately. Further, Indian manufacturers had to pay a capital

levy of 2½ per cent. on all machinery, boilers and engines and everything imported when starting the mills and as required from time to time for replacement of machinery in the mills. The Committee therefore submitted in their representation to the President, Board of Trade, that the argument that the import duty was in favour of the Indian manufacturer was fallacious.

Again, when the import duty was increased from 7½ per cent. to 11 per cent. in 1921, similar arguments were brought forward by Lancashire manufacturers and the late Mr. Edwin Montagu, the then Secretary of State, showed the hollowness of Lancashire's contention on similar grounds as quoted above.

The Committee next pointed out that it had been an acknowledged fact that there was no competition between the goods manufactured by Lancashire mills and those manufactured by Indian mills, since the former manufactured fine goods and the latter manufactured coarse goods. Sir Edwin Stockton, the Chairman of the Manchester Chamber of Commerce, had confirmed in one of his recent speeches that there was no competition between Lancashire and India. It was further pointed out that a competent authority like Sir Charles Macara had once estimated that the cost of the erection of mills in foreign countries varied from 40 per cent. to 100 per cent. over the cost in England. Indian labour was again hopelessly inefficient compared with the workpeople in Lancashire, and this was another great handicap which the Indian mill industry had to face as compared with Lancashire.

The Committee next drew the attention of the President, Board of Trade, to the heavy burdens of taxation imposed upon the cotton mill industry of India without any regard to the taxable capacity of the industry, to such an extent that a leading and impartial journal published in India, "*Commerce*," was constrained to remark :

> "The Millowners perceive that if they do not make their grievances heard they will find themselves taxed out of all existence."

After recounting the various burdens of taxation imposed on the Indian mill industry, the Committee went on to say that a consideration of these burdens of taxation together with the advantages enjoyed by the Lancashire industry as regards efficiency of labour, etc., would convince anybody that the Lancashire industry has great advantages over the Indian industry, notwithstanding the difference of 7½ per cent. between the excise duty and the import duty.

It was next pointed out that the excise duty on Indian-manufactured cloth was levied by the Government of India not on their own initiative, but under pressure from the Imperial Government, as was admitted at the time by Sir James Westland, the Finance Member of the Government of India.

The excise duty as imposed in India, the Committee urged, was against all canons of justice or equity. In no other British dominion was excise duty levied on manufactured goods except in India, where it was imposed at the instance of Lancashire. No British dominion had such a duty and the fact that this duty was imposed in India at the dictation of Home

authorities had been, the Committee pointed out, the cause of severe agitation for the last 30 years in India and had led to much dissatisfaction with the tariff as imposed on Indian manufacturers.

The Committee next stated that the abolition of the cotton excise duty had been demanded by all political parties and creeds in India ever since the date of its imposition, as a perusal of the Association's book on the Cotton Excise Duty would convince anybody, and the Cotton Spinners' and Manufacturers' Association were labouring under a serious delusion when they stated that the demand for the repeal of the cotton excise duty was made by the Bombay millowners only. If the millowners had been recently persistent in this demand for abolition, it was because the Indian mill industry stood badly in need of some relief to maintain its existence and to hold its own against the tremendous inroads Japan was making in the home and other legitimate markets of India.

Reference was next made to the English Safeguarding of Industries Act and the Command Paper No. 2327 issued in connection therewith by the Board of Trade on 3rd February, 1925. Section 2 thereof dealt with points to be inquired into when considering the case of an industry which had applied for protection against foreign competition. Clause 5 of this section laid down that enquiries should be as to :—

> (5) Whether such exceptional competition comes largely from countries where the conditions are so different from those in this country as to render the competition unfair.
>
> Competition for the purpose of such enquiry is not to be deemed to be unfair unless it arises from one or more of the following causes :—
>
> (*a*) Depreciation of currency operating so as to create an export bounty.
>
> (*b*) Subsidies, bounties, or other artificial advantages.
>
> (*c*) Inferior conditions of employment of labour, whether as respects remuneration or hours of employment, or otherwise, obtaining among the persons in the production of the imported goods in question as compared with those obtaining amongst persons employed in the production of similar goods in the United Kingdom.
>
> In making their report upon the alleged unfairness of the competition, the Committee may call attention to any special circumstances by reason of which, in their opinion, the industry in the United Kingdom is placed at a serious relative disadvantage."

It was pointed out in the letter to the President, Board of Trade, that the above-quoted clause was very pertinent to the case of the Bombay mill

industry in reference to Japanese competition. Indian millowners would have claimed protection under this clause had there been a Safeguarding of Industries Act in this country.

The Committee did not wish to expatiate on the larger question whether the fiscal policy of this country should be dictated in the interests of this country or in the interests of Lancashire. The Committee, however, only wished to remind the Lancashire trading interests of those sagacious words of the Joint Select Committee of both Houses of Parliament which examined a large number of witnesses prior to the introduction of the Government of India Act :—

> "Nothing is more likely to endanger the good relations between India and Great Britain than a belief that India's Fiscal policy is dictated from Whitehall in the interests of the trade of Great Britain."

The Committee further pointed out that the late Mr. Edwin Montagu, Secretary of State for India, had made it clear to Lancashire manufacturers four years ago that as India had now got fiscal autonomy she must be left to revise her own tarift and raise the money necessary for her own Government as it might best suit India.

In conclusion, the Committee submitted that the British Government, in its own interests and in the interests of Lancashire, would act wisely by being forearmed from now against Japan which was steadily threatening to be a formidable competitor in foreign markets where Lancashire had a firm footing for years in the piece-goods trade.

The President of the Board of Trade, London, was requested to give the widest possible publicity to the Committee's letter which, it was hoped, would once for all lay at rest the shibboleth of Lancashire trade being handicapped by the increase in the import duty without any increase in the excise duty.

The Board of Trade in their reply stated that the Association's letter was passed on to the Committee on Industry and Trade for their information. It is believed that the Association's letter was to a certain extent instrumental in changing the attitude of the Cotton Spinners' and Manufacturers' Associations and other bodies whose joint statement on the suspension of the Excise Duty has been summarised above. (*Appendix* **16.**)

TARIFF VALUATIONS UNDER THE COTTON DUTIES ACT.

The annual meeting of the Committee of the Association with the Director-General of Commercial Intelligence for the purpose of fixing the tariff valuations under the Cotton Duties Act was held in February when the Committee recommended reduction in the existing valuations in view of the depressed state of the market. The reductions recommended by the

Committee were in most cases accepted by the Director-General. Subsequently, prices of piece-goods underwent a sharp decline and the Committee pressed Government to effect further reductions. Accordingly early in September, the Director-General of Commercial Intelligence again met the Committee and further reductions in the tariff valuations were made. The tariff valuations which came in force on 1st March, 1925, and those which came in force on 1st October, 1925, are given below for purposes of record :—

Grey goods, plain or bordered.	1st March. Tariff values per lb.	1st October. Tariff values per lb.
	Rs. a. p.	Rs. a. p.
1. Chadars and bedsheets, plain, or having only borders not over ¼", excluding khadi chadars and khadi bedsheets ..	1 2 3	1 0 0
2. Dangri and khadi cloth and also khadi chadars and khadi bedsheets	0 14 3	0 12 0
3. Dhuties, cholas, dupattas, lungis, and gumchas plain, or having only borders not over ¼"	1 3 6	1 1 9
4. Dhuties, cholas, dupattas, lungis, and gumchas having only borders over ¼" but not over ¾"	1 4 6	1 2 6
5. Dhuties, cholas, dupattas, lungis, and gumchas having only borders over ¾" but not over 2"	1 6 0	1 4 3
6. Domestics, T.-cloths, shirtings, longcloth, sheetings having borders not over ½"	1 2 9	1 0 6
7. Drills and jeans, plain	1 1 0	0 15 6
8. (a) Fents, excluding khadi fents	0 14 0	0 9 6
(b) Khadi fents	0 12 0	0 9 6
9. Patals and saris with headings over 4" wide and only coloured borders, not over ¾"	1 6 0	1 3 9
10. Printers, sadlapat and bhagavad	1 2 0	0 15 0
11. Shirtings, twilled, unbleached	1 3 3	1 1 6
12. Tent, sail, commissariat and double-threaded cloth (dosuti) .	1 1 0	0 15 6
13. Zanzibar cloth	1 1 0	1 0 0

Provided that for calendered grey goods 3 pies shall be added to the above values.

	Figured or coloured goods.	1st March. Tariff values per lb. Rs.	a.	p.	1st October. Tariff values per lb. Rs.	a.	p.
14.	Bedcovers, twilled sheets, quilts, and table cloths with borders not over ½"	1	4	6	1	0	3
15.	Bedcovers, quilts, table cloths, twilled or plain wove sheets and chadars, coloured warp or weft	1	7	0	1	4	0
16.	Bedcovers, quilts, table cloths, twilled or plain wove sheets and chadars, coloured warp and weft	1	9	0	1	5	0
17.	Bed ticking, plain or drilled	1	3	6	1	0	0
18.	Check gumchas and check cholas	1	8	0	1	5	3
19.	Cholis and saris (coloured)	1	10	6	1	5	3
20.	Cotton tweed, commonly called hunting cloth, plain or striped, including leheria, Thana susi, Thana drill, Thana twill, and Thana check	1	7	0	1	4	0
21.	Khadi, striped	0	15	0	0	12	3
22.	Drills, striped	1	1	6	0	15	3
23.	Drills, checked	1	4	0	1	0	6
24.	Drills, dyed	1	5	0	1	2	9
25.	English patterned checks, trouserings and coatings	1	10	0	1	6	0
26.	Fancy dobby pattern checks, coloured warp and weft	1	8	0	1	4	6
27.	Fents	1	1	0	0	14	0
28.	Flannel pattern susi and dobby susi, grey weft	1	4	6	0	15	0
29.	Flannel pattern susi and dobby susi, coloured weft	1	6	6	1	1	3
30.	Lungis, coloured	1	9	0	1	5	6
31.	Lungis, grey, with coloured stripes and borders	1	6	0	1	2	6
32.	Napkins, grey	1	5	0	1	2	9
33.	Napkins, bleached	1	7	0	1	5	6
34.	Shirtings, twilled, bleached	1	8	0	1	5	9
35.	Susi checks, English, grey ground	1	9	0	1	5	6
36.	Susi checks, ordinary, grey ground	1	7	0	1	5	0
37.	Susi checks, ordinary, coloured warp or weft	1	8	0	1	7	0
38.	Susi check sheets, plain or twilled, grey ground	1	6	0	1	4	0
39.	Susi ordinary, coloured stripes, grey ground	1	5	0	1	1	0
40.	Susi ordinary, coloured warp or weft	1	7	0	1	4	0
41.	Towels, Turkish, grey	1	6	0	1	2	0
42.	Towels, Turkish, bleached	1	8	0	1	4	0
43.	Towels, honeycombed and other sorts, grey	1	3	6	1	1	6
44.	Towels, honeycombed and other sorts, bleached	1	5	6	1	3	6
45.	Zephyr, cloth	1	4	0	1	0	6
46.	Zephyr, striped and checked	1	5	0	1	0	6

Provided that any goods specified in the foregoing lists shall, when woven with borders of silk or artificial silk, be assessed to duty *ad valorem.*

TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT FOR 1926.

For purposes of record, Tariff Schedules II and III of the Indian Tariff Act, VII of 1894 (as subsequently amended), showing the rates of customs duty leviable on goods imported into and exported from British India for the 12 months from 1st January, 1926, to 31st December, 1926, are reproduced in full in the appendix. (*Appendix* **17.**)

IMPORT DUTIES ON COMPONENT PARTS OF MACHINERY.

On page 57 of the last Association's Report for 1924, reference is made to a dispute between the Collector of Customs and the Indian Manufacturing Company, Ltd., Bombay, as regards the classification of certain sprinkler pipes for purposes of assessment to import duties. The latter had applied to the Finance Department under Section 191 of the Sea Customs Act for a revision of the order passed by the Chief Customs Authority, and before taking any action in the matter the Association awaited the result of this application.

The order from the Government of India rejecting the revision application submitted by the Indian Manufacturing Company, Ltd., was received early in February. The whole question was carefully considered by the Committee, and it was then thought that according to the existing definition of the term " component parts of machinery " the decision of the Government of India could not be objected to.

The question of moving the Government of India for an amendment of the Act was also considered by the Committee, but it was felt that there was no possibility of their agreeing to this, especially in view of what they had already stated in their order referred to above :—

> " The question of altering the law so as to admit parts of such installations to the benefit of the machinery rate has been carefully considered by the Government of India, but they have decided against such a course."

Under these circumstances, it was thought that no useful purpose would be served by pursuing this matter further.

IMPORT DUTY ON SILVER.

Towards the middle of May, the Upper India Chamber of Commerce requested the Committee of the Association to express an opinion on the advisability of imposing an import duty on silver bullion.

In this connexion it will be remembered that when in 1910, the Government of India proposed to enhance the existing duty on silver, prominent millowners in the Imperial Legislative Council, like the late Sir Vithaldas D. Thackersey, Sir Sassoon J. David, Bart., and the Hon'ble Mr. (now Sir) M. B. Dadabhoy not only opposed the proposed measure but also condemned the duty as being harmful to the interests of the Indian Cotton Industry.

The Committee adhered to this view, and in their reply to the Upper India Chamber of Commerce stated that the proposal regarding the imposition of an import duty on silver would not be acceptable to this Association.

(*Appendix* **18.**)

DUMPING DUTIES IN AUSTRALIA.

(*See Report for* 1924, *page* 59.)

In the Association's Report for 1924 it was stated that in accordance with the provisions of the Customs Tariff (Industries Preservation) Act, 1921-22, the Government of Australia had levied additional import duties on goods exported from India for the alleged reason that the exchange value of the currency of this country had depreciated. The Notification levying the enhanced import duties was, however, withdrawn by the Australian Government with effect from 25th March, 1925.

Subsequently the attention of the Committee was drawn to the following extract which appeared in the *Indian Trade Journal* of 23rd July, 1925 :—

> "According to the *Board of Trade Journal* a Proclamation dated the 25th March, 1925, issued under Section 8 of the Customs Tariff (Industries Preservation) Act, contains the schedule of special duties leviable on goods imported from Japan, which may be specified in Notices issued under the Act, and which, owing to the depreciated currency of that country, are being imported into Australia to the detriment of Australian industries."

The above extract was quoted by Mr. N.N. Wadia, C.I.E., in the debate in the Legislative Council on 30th July, 1925. After referring to the proposal for levying an enhanced duty on Japanese piece-goods imported into this country, Mr. Wadia went on to say :—

> "The Honourable Mr. Chadwick told us that the Government of India could not interfere on account of the fact that it was an international question and under the commercial treaty the British Government had with Japan granting the most favoured nation clause, they could not put an increased duty on Japanese goods. As regards the question of export duty on cotton, he said that in the opinion of the Government of India it was not feasible at the present moment. I should like the House to remember that if the British Government had granted Japan the most favoured nation clause in the commercial treaty, then surely Australia would be included in such a treaty. I will put before the Honourable House an extract from the *Indian Trade Journal* published as recently as 23rd July, 1925, in which it was reported that 'according to the *Board of Trade Journal*, a proclamation dated 25th March, 1925, issued under Section 8 of the Customs Tariff (Industrial Preservation) Act, a revised schedule has been published levying special duties on goods imported from Japan, where owing to depreciated currency of that country, the goods are being imported into Australia to the detriment of the Australian industries.' If, therefore, Australia can levy such increased duty on Japan owing to their depreciated exchange, surely it ought to be possible for the Government of India to levy similarly increased duty on Japanese imports into this country. I do not understand therefore what prevents the Government of India from levying a similar special duty on Japanese goods here."

The Honourable Mr. H. S. Lawrence in his speech commented on this matter as below :—

"The question is should we welcome these imports as a boon and a benefit or should we urge that they must be regarded with disfavour as an injury. Well, either view is possible, and it is for this House to give its advice. If the House prefers the protection of Indian industry then there arises the complication of commercial treaties. No differentiation in import duties can be exercised against Japan, for Japan has by treaty the right to enter on the same terms as any nation outside the British Empire. On that point the Honourable Member Mr. Wadia has just produced a very important telegram regarding the action of Australia. That is a point I submit that ought to have been in the possession of the millowners immediately that the action was taken and that ought to have been placed before the Government of India and not brought forward to-day."

Mr. N. N. WADIA: "It was in the *Indian Trade Journal* of the 23rd July."

The Honourable Mr. H. S. LAWRENCE: "It must have been known to Australia before. Now, this argument leads us directly to the problem of Imperial preference. It is possible without prejudice to any commercial treaty to levy higher rates of import duty against all nations outside the British Empire. In that case the rates could be so adjusted as to give protection to our mills against this Japanese competition."

MATERNITY BENEFITS BILL.

(*See* 1924 *Report, pages* 78 *and* 350.)

On 30th January, 1925, Mr. N. M. Joshi moved in the Assembly that his Bill to regulate the employment of women in factories, etc., be referred to a Select Committee consisting of Mr. L. Graham, Mr. A. G. Clow, Sir Purshotamdas Thakurdas, Seth Kasturbhai Lalbhai, Sir Campbell Rhodes, Mr. Darcy Lindsay, Dr. S. K. Datta, Mr. M. A. Jinnah, Khan Bahadur Safaraz Hussain Khan, Mr. Jamnadas M. Mehta, Dr. K. G. Lohokare, Mr. K. C. Neogy, the Hon'ble Sir Bhupendra Nath Mitra, Mr. Devaki Prasad Sinha, Diwan Chaman Lall, Mr. B. Das, Sardar Gulab Singh, Khan Bahadur Mukhdum Syed Rajan Baksh Shah and himself.

But discussion on the motion was adjourned since the Hon'ble Sir B. N. Mitra had to leave the Assembly to attend an urgent meeting of the Executive Council.

The proposed legislation again came up for discussion on 3rd February, 1925, when the Hon'ble Member for Industries and Labour, in moving an amendment to Mr. Joshi's original motion to refer the Bill to a Select Committee, proposed that the Bill be circulated for the purpose of eliciting opinions thereon.

The amendment was carried and accordingly about the middle of March, the Government of Bombay forwarded to the Association extracts from the debate in the Legislative Assembly and other papers in connection with the Bill and again solicited the Association's views thereon. The Committee, in their reply reiterated the views expressed in the Association's letter dated 8th December, 1924, and expressed their satisfaction at the fact that the Government of Bombay in their letter dated 13th February, 1925, addressed to the Government of India, had expressed views which were practically identical to the views expressed by this Association. Opportunity was also taken to impress upon Government the great need of crying a halt in labour legislation of the type of Mr. Joshi's "Maternity Benefits Bill" or Mr. Chaman Lal's "Weekly Wages Bill." It was pointed out that the cotton mill industry of the country was passing through a very grave crisis and at a time like this it was neither wise nor judicious to add to the troubles of the situation by introducing, in the Legislative Assembly, Bills unsuited to the industrial conditions of the country and calculated to impose on industries responsibilities unheard of even in most advanced industrial countries in the world.

The motion to refer the Bill to a Select Committee was again brought forward by Mr. Joshi on the 26th August, 1925, but this was negatived on being put to vote. (*Appendix* **19.**)

THE BILL TO CONSOLIDATE, AMEND AND EXTEND THE LAW RELATING TO INSURANCE COMPANIES.

This Bill was published in the *Gazette of India,* dated the 20th June, 1925, with the under-quoted Statement of Objects and Reasons :—

> "The object of this Bill is to provide for the regulation of Insurance Companies operating in India.
>
> There are two Acts at present in force in India relating to insurance companies. One is the Indian Life Assurance Companies Act VI of 1912, and the other is the Provident Insurance Societies Act V of 1912. It is considered that the law should regulate all forms of insurance business carried on in India. It is proposed therefore to repeal Act VI of 1912 and to replace it by this Bill. As will be seen from the definition of 'Insurance Company' in clause 2 (*i*), the Bill will apply to every company which carries on, or intends to carry on, any class of insurance business in British India, either directly or indirectly through an agent. Companies registered under the Provident Insurance Societies Act have been excluded from the scope of the Bill, but it is proposed to amend Section 3 of this Act with the object of imposing the same limits as are at present prescribed in the case of life assurance business on every kind of insurance business carried on by Provident Insurance Societies.
>
> In framing the Bill, it has been provisionally decided to continue the policy of the Indian Life Assurance Companies Act VI of 1912, and to rely for the protection of the public mainly on a policy of allowing no insurance company to carry on business in India, unless and until

it has paid a deposit to Government. These deposits should prevent the establishment of mushroom companies. In addition, it is proposed to insist on the fullest measure of publicity in regard to the working of each company, in order that the public may judge for themselves whether it is worked on sound and prudent lines. It is also proposed to tighten the control of Government over insurance companies in some respects."

The Government of Bombay forwarded a copy of the Bill to this Association together with a copy of a circular letter from the Government of India and solicited the Association's views thereon. It was stated in the Government of India's letter that hitherto legislation in India had been confined to Life Assurance Companies and Provident Insurance Societies. The extended scope of the Bill under consideration was a development necessitated, in the opinion of the Government of India, by the growth of the insurance habit in India. The Committee of the Association concurred with this general view expressed by Government.

The most important provisions of the Bill and the Committee's views thereon as communicated to Government are summarised below :—

One of the most important sections in the Bill was Section 10 which made it incumbent upon every insurance company to deposit and keep deposited with the Controller of Currency, Government securities—

(*a*) of the face value of two hundred thousand rupees in respect of life insurance business ;

(*b*) of the face value of one hundred thousand rupees in respect of each of the following classes, namely :—

(*i*) workmen's compensation insurance business,
(*ii*) accident insurance business,
(*iii*) fire insurance business, or
(*iv*) marine insurance business ; and

(*c*) of the face value of one hundred thousand rupees in respect of any other class or classes of insurance business.

The Committee agreed that a system of deposits was necessary for all classes of insurance business to prevent the growth of mushroom companies, but in their opinion Section 10 of the Bill did not provide an adequate protection for the interests of the Indian policy-holder and they strongly recommended that the Bill should be modified in such a manner as to make it compulsory for all insurance companies and agents or companies issuing certificates of insurance under policies issued or to be issued elsewhere than in India, to deposit a sum in India equivalent to 33 1/3 per cent. of their annual premium income in approved Indian securities. The Committee believed that if such a provision were incorporated in the Bill, the interests of the insured would be more amply protected than by compelling companies to make a deposit as suggested in clause 10, for the

reason that the larger the premium income of the company or the agent, the larger would be the amount of money deposited, and small but sound concerns would not be unfairly handicapped as compared with larger concerns. For example, a larger company with a premium income of twenty lakhs from four classes of insurance business and large, accumulated reserves would have very little difficulty, and would be in no sense handicapped by the deposit it would have to make under clause 10 in its present form, whereas an equally sound but much smaller concern dealing in the same four classes of insurance business might be very severely crippled by having to deposit an equal sum.

The Committee further held that it was necessary to enforce a deposit sufficient to prevent the growth or rather the flotation of mushroom companies, and for this purpose they recommended a total deposit of one lakh of rupees in Government securities.

The Committee found themselves in complete disagreement with Government as to the inadvisability of introducing provisions in the Bill requiring foreign insurance companies operating in British India to keep in British India under Government control assets equal to the reserve value of the policies issued by them in British India. The Government of India in their circular letter admitted that such provisions would protect the interests of the policy-holders in this country in the event of the liquidation of any company not constituted in, but operating within, British India, and further such restrictions, in so far as they hamper the operations of companies constituted outside the country, tend to foster the growth of indigenous companies. The Government of India was, however, opposed to the introduction of such provisions in the Bill on the grounds mentioned below :—

(1) It is more in the general interest, in present circumstances, to further the growth of the insurance habit by providing the safest possible insurance at the lowest possible price than to foster the growth of indigenous insurance companies.

(2) A statutory valuation of assets would be the necessary consequence of provisions of this kind, and this statutory valuation would necessarily be applied to Indian as well as non-Indian companies.

(3) A large staff of Government actuaries would be required, and it would be impossible to avoid a large measure of interference with the management of companies.

(4) Where companies are left to themselves, experience leads them to adopt strict standard of valuation, whereas there is a danger that a statutory valuation may be a lenient valuation, may become little more than a test of bare solvency and may lead to a lowering of standards.

The Committee of the Association were not inclined to attach any very great weight to the Government of India's objections against the introduction of provisions in the Bill requiring foreign insurance companies operating in British India to keep in British India under Government control assets equal to the reserve value of the policies issued by them in British

India. The Committee felt that the difficulties attendant on the introduction of such provisions had been considerably exaggerated by Government and the full extent of the benefits which would accrue to the country by the successful development of Indian insurance companies and the investment of further very large sums of money in Indian securities had been lost sight of. The Committee therefore strongly urged the insertion of the necessary provisions in this connection.

Another important section of the Bill was Section 32 which empowered the Governor-General in Council to call upon an insurance company which, on the strength of returns and further statements submitted, did not appear to be able to fulfil its contracts, to submit its affairs to the examination of an actuary with a view to ascertaining the exact position and to formulating plans for dealing with it. The Committee were of the opinion that it would be, on the whole, advantageous to give Government the powers to order an actuarial examination of the position of any insurance company which on reliable evidence did not appear to be in a position to fulfil its contracts. The Committee, however, held that due safeguards should be introduced, so that pending the results of any inquiry by Government, the business of the insurance company concerned should not be adversely affected owing to undue publicity being given to the enquiry. It might indeed be advisable for Government to have their examination *in camera.*

The Committee also drew Government's attention to the fact that the provisions contained in Chapter VIII of the Bill did not make it quite clear whether Indian policy-holders had any protection in the event of the winding up of a foreign company carrying on business in British India. The Committee maintained that the interests of Indian policy-holders should be safeguarded by the introduction of necessary provisions in the Bill setting forth that the funds of any company invested in approved Indian securities in accordance with the Bill should be earmarked for the benefit of the Indian policy-holders in the event of winding up.

The Committee offered the following criticisms on particular clauses of the draft Bill :—

Clause 2 (*a*), (*e*), (*h*), (*m*) *and* (*j*).—In the definitions of insurance business as framed it would still be possible for Lloyds and similar concerns to issue certificates of insurance without having to give the special safeguards to Indian policy-holders which the proposed system of deposits, etc., enforced on other insurance companies. The Committee therefore recommended an alteration in the definitions which would bring those companies or agents who "issue certificates of insurance under policies issued or to be issued elsewhere" within the scope of the Bill by compelling them to make the deposits called for from other companies.

Clause 2, *sub-clause* (*h*).—This sub-clause defined 'fire insurance business' as 'the issue of, or the undertaking of liability under policies of insurance against loss by or incidental to fire.' The Committee pointed out that at the present time, fire insurance policies often give cover against damage by riot and civil commotion. The Committee therefore urged that

the definition might be suitably extended or an extra definition added making insurance against riot and civil commotion a separate class of insurance business.

Clause 10.—The Committee's views regarding this clause are given above, but on a point of detail, Government's attention was invited to the fact that it was not made clear whether adequate facilities would be given for varying the class of securities deposited with the Controller of Currency, and the Committee urged the insertion of a clause empowering insurance companies to do so.

Section 19.—This section read as below :—

> "Any insurance company which had, during the five years immediately preceding the commencement of this Act, kept a joint account and maintained a joint fund in respect of any two or more classes of insurance business, not being workmen's compensation insurance business transacted in British India or life insurance business, shall be entitled to continue to keep such account and maintain such fund, and any other insurance company may, on application made to the Governor-General in Council, be permitted to keep a joint account and maintain a joint fund in respect of any two or more of such classes of business as aforesaid."

In the Committee's opinion, no really sound reasons had been advanced as to why separate accounts should not be kept in all cases. The fact that joint accounts had been kept for five years previous to the introduction of the new insurance legislation did not justify the continuance of what is evidently considered an undesirable practice. The Committee further considered it very advisable that foreign companies doing insurance business in British India should be compelled to keep *separate accounts* for each class of insurance business transacted in British India in contra-distinction to the same classes of insurance business transacted outside British India.

Clause 29.—This clause laid down that an insurance company constituted outside British India to which the Assurance Companies Act, 1909 applied, should submit copies of the returns which they were required to send to the Board of Trade, in lieu of the forms prescribed in the Schedule to the draft Bill. At the same time the clause prescribed additional statements relating to the business of the company in India. The Committee urged that in the interests of the Indian policy-holder this clause should be amended so as to provide that all foreign companies operating in British India should be required to render, in addition to general world business balance-sheets and profit and loss accounts, a separate balance-sheet and profit and loss account showing the cost of management, premium reserve, etc., for their Indian business.

Other Clauses.—The Committee had no criticisms of importance to offer on other clauses, though minor amendments therein and in the returns of the Bill might be necessary. (*Appendix* **20.**)

A BILL TO AMEND THE CARRIAGE OF GOODS BY SEA.

The above Bill was introduced in the Legislative Assembly in February with the following Statement of Objects and Reasons :—

"A bill of lading was originally a receipt for the goods placed on a ship and also a document for transferring the title of the goods to the consignee. With the development of trade, it became recognised as a negotiable instrument in which shippers, the carriers and the consignees or purchasers of the goods as well as bankers and underwriters became increasingly interested. Concurrently with this it became the custom to show on the bill of lading the terms of the contract on which the goods were delivered to and received by the ship, and from time to time new clauses were added usually in the direction of contracting the carrier out of liability for some kind of loss or damage to the goods. There thus arose great diversity between the conditions on which goods were carried by sea and considerable uncertainty about the liabilities which still attached to the carrier.

2. There has been a demand for many years among the different commercial interests which handle bills of lading for uniformity among all maritime countries in the definition of the liabilities and risks attaching to the carrier of goods by sea. Some countries, *e.g.*, Canada, Australia and the United States of America, enacted legislation prohibiting carriers of goods by sea from contracting themselves out of certain kinds of liability. The matter was discussed at several International Conferences between shipowners, shippers and bankers in an attempt to secure the universal adoption of an agreed set of rules.

3. A code of rules was drawn up in 1921 by the International Law Association at The Hague. These were subjected to criticism by the various interests affected till finally agreement was reached at the International Conferences on Maritime Law held in Brussels in October 1922 and again in October 1923. A code of rules defining the responsibilities and liabilities to which a carrier of goods by sea should be subject and also the rights and immunities he was entitled to enjoy was drawn up, and it was unanimously recommended that every country should give legal sanction to these rules. The United Kingdom has done so by the Carriage of Goods by Sea Act (14 and 15 Geo. 1924). It is proposed to do the same in India by this Bill.

4. This Bill follows closely the English Act. The agreed code of rules are reproduced in the Schedule. Clause 5 of the Bill exempts from these rules goods carried in the coasting trade under documents other than bills of lading, whilst clause

6 saves the carrier from claims for shortage of weight in certain cases of bulk shipment, where, by the custom of the trade, the weight entered in the bill of lading is a weight ascertained or accepted by a third party other than the carrier or shipper, and this fact is so stated in the bill of lading."

The leading commercial bodies of this city including this Association were of opinion that there should be uniformity among all maritime countries as regards liabilities and risks attaching to the carrier of goods by sea, and they were of opinion that the code of rules drawn up by the International Conferences on Maritime Law held in 1922 and 1923 on which the Bill under consideration was based deserved the support of all commercial interests. There was, however, difference of opinion on one point. Section V of the Act laid down that a bill of lading in accordance with the rules under the Bill was not necessary in the case of coastal trade, and that the bill of lading may be substituted by a receipt which was to be non-negotiable. The Committee of this Association were opposed to the coastal trade being deprived of the benefit of the bill of lading. On this point the Hon'ble Sir Charles Innes made the following observations in the Legislative Assembly on 3rd September, 1925, when considering the report of the Select Committee :—

"After a long Joint Committee we have made only one change in the Bill and that is in Clause 5. I should just like to give a brief explanation of this Clause 5. Article VI of the Articles appended to the Bill makes a bill of lading compulsory except in respect of deck cargo which is not "goods" as defined in the rules and of all shipments where the character or condition of the goods to be carried, or the circumstances, terms and conditions under which the carriages is to be performed justify a special agreement. The Home Government exempted their coasting trade from their Bill, and our original idea was to follow suit in India. But having circulated our Bill, we discovered that the circumstances of the coasting trade in India were entirely different from the circumstances of the coasting trade at home. The coasting trade at home consists of very short journeys from port to port and ordinarily bills of lading are not used at all and the coasting trade people at home, when the Bill first came on, objected that if these rules were applied to the coasting trade, they would be compelled to issue bills of lading. That is why they were exempted from these rules. In India the circumstances are entirely different. The voyages are very much longer and we have ascertained that bills of lading are universally in use. When we circulated the Bill a great many of the Chambers of Commerce, the Bombay Millowners and others said that there was no necessity to exempt the coasting trade from Article VI and that there was no reason why shippers in India in the coasting trade should be deprived of the benefit of these rules. Consequently, we discussed the matter in Joint Committee and we amended the Bill as it appears now. We have exempted only sailing ships sailing from India for foreign ports or sailing from India for Indian ports. We have done that mainly to safeguard the position of owners of Arab dhows and so on which go to the Gulf ports

and to Aden and other similar places. We also propose to exempt from the rules one journey between India and Ceylon, Ceylon being really a part of India. I think that is the only explanation that I need give of Clause 5."

The Bill thus amended on the lines recommended by the Association was passed by the Legislative Assembly on 2nd September. (*Appendix* **21**).

WEEKLY PAYMENT OF WAGES BILL.

(*See Report for* 1924, *pages* 107 *and* 416.)

On 30th January, Mr. Chaman Lal moved in the Assembly that his Bill to provide for the weekly payment of wages to workmen, etc., be referred to a Select Committee. The motion was opposed by Mr. E. G. Fleming (Burmah, European) who stated that the proposed measure would inflict undue hardship on the employers in the timber industry of Burmah. Mr. Fleming pointed out that there was nothing in the way of workmen obtaining advances from their employers and suggested that, for the first fortnight, people taking up new employment could be paid daily which would adequately prevent their falling into the hands of money-lenders.

An amendment was however proposed by The Hon'ble Sir B. N. Mitra to circulate the Bill for eliciting public opinion and this was accepted by the House.

AMENDMENT OF THE INDIAN INCOME-TAX ACT.

ASSESSMENT OF PARTNERS IN A REGISTERED FIRM TO SUPER-TAX WHERE THERE HAS BEEN A CHANGE IN THE CONSTITUTION OF THE FIRM.

(*See Report for* 1924, *page* 110.)

The Association's Report for 1924 contains a reference to certain proposals of the Government of India and the Committee's criticisms thereon on the advisability of amending the Indian Income-tax Act in regard to the assessment of partners of a registered firm to super-tax where there has been a change in the constitution of the firm owing to one or more partners retiring.

The procedure hitherto followed by the Income-tax Department, *e.g.*, to make the assessment on the basis of the arrangements in force in the year in which the assessment was made, had been declared illegal by the Bombay High Court. The Court had also held that partners should be assessed not according to the shares to which they were entitled in the year of assessment, but according to the shares to which they were entitled in the previous year in which the profits were earned.

The result of this decision was that in the case of retiring partners leaving the country it was often impossible for the Income-tax Department to recover super-tax from them while at the same time the new partner who

came in during the year of assessment was not liable to pay the tax. To get over this difficulty, a Bill to amend Section 56 of the Indian Income-tax Act of 1922 was introduced in the Assembly on 2nd February, 1925, by the Hon'ble Sir Basil Blackett.

The amendment proposed to add the following proviso to the existing Section 56 of the Act :—

> " Provided that in computing the total income of a member of a registered firm, where any change occurs in the constitution of the firm, the profits or gains of the firm during the previous year shall be deemed to have been received in that year by the members of the firm as constituted at the time of making the assessment to super-tax in proportion to their shares in the firm at that time."

The chief feature of the amendment is that it legalises the procedure hitherto followed by the Income-tax Department in regard to assessment of partners in a registered firm where there is a change of partnership.

The amending Bill has since been passed by the Indian Legislature and is now in force. (*Appendix* **22.**)

AMENDMENT TO INCOME-TAX ACT.

RECOVERY OF SUPER-TAX FROM NON-RESIDENT SHAREHOLDERS.

Section 57 (2) of the Indian Income-tax Act reads as follows :—

> " Where any assessee who is liable to pay super-tax on the amounts of the dividends receivable by him from any company is, to the knowledge of the principal officer of the company, residing out of British India, the principal officer shall be liable to pay the super-tax due by such non-resident person in respect of the dividends received by him from the company, and shall have power to deduct the amount of such super-tax from the amount payable by the company to such assessee."

The intention of this section is plain, *e.g.*, that it enables super-tax to be collected by deduction at source from the dividends payable to a non-resident shareholder. But the section as it stands now is of no practical use whatever on account of the use of the phrase " any assessee who is liable to pay super-tax." The section contemplates deduction of tax at the time of payment but the " liability " to super-tax does not arise until the following year since super-tax, like income-tax, is charged on the income of the previous year. Further, an assessee is defined in Section 2 (2) of the Act as " a person by whom income-tax is payable " and it seems doubtful whether income-tax or super-tax can be said to be " payable " by a person who has not been formally assessed to income-tax or super-tax. Nor is it clear how super-tax can be " due " from a person who has not been assessed to super-tax. The Government of India therefore proposed to amend the section and invited the Association to express an opinion on the following suggestions :—

(1) That where the Income-tax Officer is aware that the total income from all sources of a non-resident shareholder is such as to render him liable to super-tax, he should communicate to the principal officer or officers of the company or companies in which he holds shares, the amount of super-tax that should be deducted from each dividend and the principal officer should then be bound to deduct super-tax accordingly. The Income-tax Officer could only, of course, estimate the amount with reference to the figures of former years. Any excess or deficiency would be liable to adjustment when the total amount of dividends received in any given year was ascertained.

(2) Where the same person is the principal officer of two or more companies, it should be incumbent on him to deduct super-tax from the dividends due to a person holding shares in two or more such companies at the rate or rates applicable to the aggregates of the dividends in the absence of any communication from the Income-tax Officer as to the amount of super-tax to be deducted.

As regards suggestion No. 1, the Committee pointed out that the unsatisfactory nature thereof was evident from the latter half of the para wherein it was stated that the Income-tax Officer could only estimate the amount of super-tax with reference to the figures of former years and that any excess or deficiency would be liable to adjustment when the total amount of dividends received in any given year was ascertained. Moreover, the proposal would be of no practical use with regard to those non-resident shareholders who are liable to super-tax but whose income is not known to the Income-tax Officer.

As regards suggestion No. 2, the Committee were opposed to the principal officers of the company being made responsible for super-tax due from their shareholders. The principal officers of companies could not be expected to be conversant with all the intricacies of the Income-tax Act nor would it be reasonable to expect them to find out which of the shareholders are liable to pay super-tax.

The Committee, however, submitted that the simplest solution of the anomalies pointed out by Government would be to ask all joint stock companies to furnish the Registrar of Joint Stock Companies the names of such of their shareholders who are not residing in India and the total dividends earned by them. From these particulars, it was pointed out, the Income-tax Officer should be able to find out exactly which non-resident shareholder is liable to pay super-tax. (*Appendix* **23**.)

MEETING WITH MR. A. R. LOFTUS TOTTENHAM, FIRST MEMBER, BOARD OF REVENUE.

Mr. A. R. Loftus Tottenham, C.I.E., I.C.S., First Member, Board of Revenue, met a special Sub-Committee on 4th September, 1925, when an interesting discussion took place on various questions. The most important

matter discussed was the procedure followed in allowing depreciation on machinery for the purposes of income-tax assessment, and this discussion bore practical results as will be noticed from the succeeding paragraph. The discussion on the question of exempting from income-tax a company's contributions to Provident Funds was also important and is summarised below. The best thanks of the Association are due to Mr. Loftus Tottenham and to Mr. L. W. Hartley, Income-tax Commissioner, who accompanied Mr. Tottenham, for the patience and courtesy with which they discussed the various questions brought forward by the Association.

Allowance of Depreciation on Machinery for Purposes of Income-tax Assessment.

Members are aware the practice hitherto followed had been that before allowing 5 per cent. depreciation for income-tax a deduction was first made of all the depreciation allowed during the previous twenty years, no allowance being made for new machinery which might have replaced the old machinery during the period. The Sub-Committee which met Mr. Loftus Tottenham and Mr. Hartley on 4th September brought to their notice the unfairness of this procedure. The upshot of the discussion and subsequent correspondence is that henceforth the 5 per cent. depreciation on machinery will be calculated in a particular year on the difference in the block account as it stood 20 years before the year of assessment and the block account as it stood in the year of assessment. Accordingly, for the next year 1926-27, machinery account up to 1905-06 will be taken as written off and depreciation allowed on the value of the block account from 1906-07 to 1925-26, both years inclusive.

This decision of the income-tax officer was communicated to all members on 19th October, 1925.

Provident Funds.

The second question discussed with Mr. A. R. Loftus Tottenham was the necessity for exempting from income-tax a company's contributions to Provident Funds. Mr. Loftus Tottenham stated that Provident Funds were under the control of employers and might be drawn upon by them, and therefore it was not possible to exempt from income-tax an employer's contributions towards the Provident Funds constituted for the benefit of his employees. Mr. Loftus Tottenham, however, drew the Sub-Committee's attention to the following sentences in paragraph 45 of the "Notes and Instructions regarding the Income-tax Law and Rules" from which it will be noticed that when actual payments are made to employees from the Provident Fund, such payments, so far as they are made from contributions of employers, are to be treated as 'business expenses' and a corresponding allowance has to be made on that account while assessing to income-tax the company making such payments :—

> "Where, however, such funds remain in the hands or under the control of the employers, no contributions by the employers can be allowed

as a business expense; but in such cases actual payments made to employees leaving the service of the employer should be allowed as a business expense in the year in which such payments are made, so far as such payments are made from the contributions of the employers whether in that year or in preceding years."

The above proviso is not generally known, with the result that when a company makes actual payments from the Provident Fund to an employee on his leaving the service, etc., it fails to claim a deduction in income-tax on account of that portion of the payment which represents its own contribution to the Provident Fund. Accordingly, a circular letter was addressed to all members drawing their attention to this proviso.

(*Appendix* **24**.)

POWERS OF THE INCOME-TAX OFFICER TO DEMAND INSPECTION OF DIVIDEND WARRANTS.

During the year under review, the Senior Income-tax Officer, Bombay, addressed certain members of the Association and requested them to furnish his office with the list of dividend warrants issued since 1st April, 1924, *i.e.*, number and amounts of the warrants, and the names of the payees, or, alternatively, allow him to take copies of the list either in the office of the company or at his own office.

The Association's solicitors were consulted on the question whether the Income-tax Officer was entitled to call upon companies to furnish him with the information asked for. The solicitors expressed the opinion that it was beyond the powers of an Income-tax officer to call for a list of dividend warrants. The Income-tax Officer, however, contended that under Section 37 of the Income-tax Act he was entitled to take copies or cause copies to be taken of the register of the members of any company or of any entry in such register. The Income-tax Officer's contention was correct, but from the under-quoted Instructions and Notes appended to Section 32 of the Act, it would be seen that he was not entitled to ask for lists, etc., of dividend warrants, and Government themselves recognised that it was not necessary to invest the Income-tax Officer with this power.

"A company should not be required to furnish the Income-tax Officer with a return of the persons (with their addresses) for the time being appearing on the share register of the company and the amounts of the dividends paid or payable to such persons during any particular period. Such a duty would be burdensome to the company with no corresponding advantage to the administration. It is for this reason that in Section 39 of the Act provision is made that the share register, the register of debenture-holders and of mortgagees of any company are open to the inspection of the income-tax authorities, who may also take copies or cause copies to be taken of any entries in such registers. Since the power to inspect, and take copies of such register is specifically conferred by Section 39, no income-tax authorities utilising these special powers can be called upon to pay any fee for inspection or copies under the Companies Act."

THE DEVELOPMENT DEPARTMENT CHAWLS.

For some time past the Committee of this Association have had under their consideration the justification or otherwise of the Cotton Trade of Bombay being called upon to pay a Town Duty of Re. 1/- per bale of cotton for the purpose of meeting the annual loss on the housing scheme for labouring classes which was one of the most important items in the programme of work laid down when the Development Department was launched into existence.

The Preamble to the Act under which the Cotton Duty was levied stated that the revenue from the Town Duty on cotton was required *inter alia* for the purpose of establishing 50,000 tenements for the labouring classes. According to the latest information available, it would, however, appear that it has now been definitely decided not to erect more than 16,864 tenements. A *prima facie* case would thus appear to have been made out for a proportionate reduction in the Town Duty.

The Association supported the scheme as originally enunciated on the clear understanding that 50,000 sanitary tenements would be put up for the workpeople. Moreover, the original estimates gave the public to understand that the economic rent of the tenements would be Rs. 7·72 per month and that the rent Actually charged would be, say Rs. 2–8–0 lower, *i.e.*, about Rs. 5–8–0 per month. If that had been adhered to, the mill operatives would have secured housing at reasonable rates. As matters stand, however, very few mill operatives can afford to go into the Development chawls. Many of the mills are constrained to put up their own chawls owing to the failure of the Development Department to house the mill operatives. Taking all these facts into consideration the Committee maintained that the Duty on Cotton which costs the mills something like Rs. 10 lakhs annually constituted a double wrong to the cotton mill industry.

The Committee, however, anticipated that any proposal on their part for the reduction or abolition of the duty would evoke from Government the reply that the actual expenditure incurred on the chawls far exceeded the original estimates and it was therefore not possible to effect any reduction in the rate of the duty. On going carefully into these figures, the Committee found the whole position to be extremely unsatisfactory. In 1920, His Excellency Sir George Lloyd (now Baron Lloyd), while introducing the Bill in the Legislative Council, stated that the estimated cost of 50,000 tenements was Rs. 5,50,00,000. From the Report on the Working of the Development Directorate for the year ending 31st March, 1925, it appears that the final revised estimate for the reduced programme of 211 chawls, or 16,864 tenements, amounts to Rs. 3,51,57,100, *i.e.*, Rs. 2,084/- per tenement against Sir George Lloyd's estimate of Rs. 1,100 per tenement. Thus the original estimate of expenditure has been exceeded by nearly 90%. The Committee felt that such a large discrepancy between the estimated and the actual figures of expenditure was inexcusable even in a Government Department. What was perhaps more inexcusable was that when it was found that the expenditure was to be something like 90% in excess of the original estimate, Government should have gone on with the erection of chawls, when the obviously wise course was to cry a halt and avoid a huge waste of public money.

The Committee felt that before making a representation to Government for the abolition of the duty, it would be best to ask the Director, Development Department, for details on which Sir George Lloyd's estimate was based and the detailed figures of the costs actually incurred by the Development Department for the housing scheme up-to-date. It was further deemed advisable to ask the Development Department definitely why they did not stop the work of erecting chawls when the expenditure was found to be running considerably in excess of the estimates.

A letter on the above lines was addressed to the Director of Development Department, and on receipt of a reply the Committee will go further into this important matter. (*Appendix* **25.**)

THE BOMBAY RENT ACT.

One direction in which the Rent Act of 1918 had operated most unfairly is in respect of chawls erected by millowners for the use of the operatives working in their mills. As is well known several millowners, out of deference to the wishes expressed by the Governor in Council that millowners should construct chawls to house their own labour, constructed or commenced to construct chawls for their workmen so far back as 1915, in some cases with the assistance of the City of Bombay Improvement Trust Board, in pursuance of the provisions of Section 32B to I of the Improvement Trust Act, 1898, as amended by Bombay Act I of 1913 which sanctioned the framing of schemes for the construction of dwellings for the poorer classes, and in some cases without such assistance.

In the years 1915, 1916 and 1917 labour in Bombay was difficult to obtain, and with a view to attract labour, those millowners who constructed chawls for housing their employees, offered the rooms at ridiculously low rents, and in many cases as much as 50 per cent. below the economic rent, so that the chawls represented an annual loss to the mills concerned. Cases could be cited in which the maximum rent sanctioned by the Improvement Trust Board under a Poorer Classes Accommodation Scheme was Rs. 8 per room per month whereas the rooms were actually let to employees of the millowners concerned at an average rent of Rs. 3 per room per month.

In this connection it must be borne in mind that in 1915, 1916 and 1917 the Rent Act had not been introduced and was not in fact even contemplated. As a result of the introduction of the Rent Act in 1918 and the relation back to the 1st January, 1916, to fix the standard rent, millowners have been forced to continue to let the rooms in their chawls at the originally low rents, and to make an annual loss of some thousands of rupees in respect thereof.

It is true that under the provisions of the Bombay Rent (War Restrictions No. 2) Act, 1918, it is possible to approach the Rent Controller with a view to his declaring rooms in chawls to be small premises and fixing or raising the standard rent thereof, but the procedure is somewhat cumber-

some and the decision of the Rent Controller is liable to be over-ruled by the Rent Committee, with the result that resort is not ordinarily had to that procedure.

Another great disadvantage of the Rent Act in its operation on mill chawls is that an employee could not be ejected from these chawls even after he has ceased to be in the employment of the particular millowner in whose chawl he is residing. One of the objects of the Bill further to amend the Bombay Rent Act (published in the *Bombay Government Gazette* of 22nd January, 1925,) is to enable employers of labour to maintain control of the housing accommodation provided to their employees, by adding clause 4 (2), sub-section 4 to Section 9 of the Principal Act. With regard to this addition, it was stated in the Statement of Objects and Reasons :—

> "New Section 9 (4) provides that when a tenant obtains accommodation by reason of his being in the employment of his landlord he shall not continue to occupy the premises without the consent of his landlord if his employment terminates. There are cases in which housing accommodation is provided by the employers for their employees and the employee refuses to vacate the premises even after his employment has terminated."

The Committee of the Association held that the above amendment would remedy a long-felt grievance, but was not sufficient and that the only fair and equitable way of dealing with chawls erected by employers of labour was to exempt altogether chawls so erected from the provisions of the Rent Act.

After mature consideration, the Committee decided to communicate the above views to the Chairman and members of the Select Committee which was considering the Bill under reference. Accordingly, a representation was forwarded to the Select Committee early in April embodying these views, and at the same time it was pointed out that it had never been the wish or desire of the millowners to make a profit out of these dwellings, and even if such dwellings were freed from Rent control there was no likelihood of the millowners endeavouring to make a profit out of what they had regarded as their obligations as employers of labour. It was further pointed out that, even if the mill chawls were totally exempted from the provisions of the Rent Act, millowners would not be able to recover an economic rent for the rooms in view of the number of chawls erected by the Development Department which are at present unoccupied for want of tenants. Any attempt on the part of the millowners to raise the rent of the rooms in their own chawls beyond a reasonable figure could only tend to drive their employees into the chawls of the Development Department. The existence of the chawls of the Development Department in close proximity to the chawls of the mill-owners, and subsidised as they were by the Town Duties on cotton levied from millowners and paid to the Municipality for the sole purpose of reducing the rent of the Development Department chawls to a figure within the means of the average millworker, would operate as a most effective check on any profiteering or excessive levying of rent by millowners at the expense of their employees.

The Association therefore submitted that the evils which the introduction of the Rent Acts was designed to remedy or obviate, were effectively remedied or obviated in the case of chawls erected by millowners to house their own employees by the existence of the chawls of the Development Department, and also of the Improvement Trust, whereby the supply of dwelling houses for the poorer classes was far in excess of the present demand and was likely to remain so for the proposed extended period of the Rent Acts, and that it was only just and equitable that millowners who erected, or entertained and carried out the erection of chawls at considerable expense to meet the wishes or suggestions of the Governor in Council, before the introduction of a Rent Act was even contemplated, should be given an opportunity, by the total exemption of such chawls from the operation of the Rent Acts, to end an hitherto annual loss on their capital outlay.

The Bill was introduced in the Bombay Legislative Council by the Hon'ble Mr. Cowasji Jehangir on the 16th March, 1925, and after the first reading was carried, was referred to a Select Committee to consider and report before the middle of July.

The Select Committee's report was presented to the Council on 25th July and during the debate that followed, Mr. G. B. Pradhan moved an amendment as follows :—

> " Provided that this Act shall not apply to dwelling houses erected by employers of labour for housing their own employees."

The amendment was lost on being put to the vote, but the following remarks of the Hon'ble Mr. Cowasji Jehangir, in winding up the debate, deserve special mention :—

> " The honourable member Mr. Wadia has informed us that these tenements were built for the benefit of his own workmen and he desired to see his workmen getting the benefit of those tenements and not outsiders. Everyone of us will sympathise with Mr. Wadia in the object he has in view. But, Mr. President, may I point out to the Honourable House that the Act provides that the Governor in Council may exempt any premises or class of premises from all or any of the provisions of this Act. If Mr. Wadia will put up a good case to Government, namely, that he desires to prevent overcrowding and that he is prevented from carrying out his good intentions by the provisions of this Act, Government will consider whether they cannot give him an exemption. If he can make out a case and his only object is to prevent overcrowding and to have sanitary premises, I can assure my honourable friend that Government will give any proposal he makes the most sympathetic and careful consideration. Will my honourable friend, therefore, be satisfied with this assurance? Provided that his demand is not for an increase of rent over and above the increase provided in this Act, Government will give the most sympathetic consideration to a request for the exemption of any premises owned by my honourable friend and of the members of the Millowners' Association, from any

of the clauses of this Act. Under the circumstances, I regret Government cannot accept this amendment, but I may again assure the honourable member that Government will give very careful consideration to any proposals that the Millowners' Association may bring up under Section 1 (5) of the Rent Act." (*Appendix* **26**.)

PROPOSED LEVY OF FEES FOR THE SERVICES OF ELECTRICAL INSPECTORS.

The *Bombay Government Gazette,* dated 14th May, 1925, contained the draft of an order which the Governor in Council proposed to issue under Rule 5 (2) of the Indian Electricity Rules, 1922, regarding fees to be levied for the services of Electrical Inspectors. The draft order contained the scale of fees proposed to be levied for different purposes, from which it appeared that the charge for the inspection of installations having medium or high pressure about 1,000 K.W. capacity was proposed to be Rs. 350. The total horse-power of most mills in Bombay exceeded this figure, which meant that mills would have to pay the above heavy fees plus Rs. 100 for inspection of the lighting installation.

The Committee addressed a representation to the Government of Bombay protesting strongly against the proposed levy of fees for electrical inspection.

At the outset the Committee expressed their great regret at the fact that at a time when the mill industry was face to face with a crisis of unparalleled gravity and when this Association had been persistently demanding some relief from the Imperial and Provincial Governments, the Government of Bombay should have thought fit to bring forward a proposal for a further increase in the heavy burdens already imposed upon the industry by the Imperial and Provincial Governments and by the Municipality. The Committee proceeded to impress upon Government, with all the emphasis at their command, that the mill industry was now taxed to its farthest limits, and it would be suicidal to levy fresh burdens upon the industry at a time when every possible assistance and relief should be forthcoming from Government to resuscitate the industry from its present state of unparalleled depression.

Apart from the fact that the present was certainly not an opportune moment for Government to propose the imposition of fresh charges upon the industry, the Committee were emphatically of the opinion that not only were the proposed charges for electrical inspection exorbitant but there was no justification whatsoever for the levy of those charges by Government.

The attention of Government was drawn to the fact that inspection of electrical installations in mills and other factories was carried on by Electrical Inspectors of the Bombay Fire Insurance Association and mills had to pay certain fees to the Fire Insurance Association in connection with these inspections. As recently as 1921 these fees were substantially increased by the Fire Insurance Association. The Committee urged that the inspection

carried on by the inspectors of the Fire Insurance Association was, as a rule, extremely thorough and minute and therefore, in the opinion of the Committee, inspections by Government inspectors were superrogatory and might safely be dispensed with.

The Committee next pointed out the exorbitant nature of the proposed charges as compared with the charges made by the Fire Insurance Association and added that if Government still maintained that Government should be paid for these electrical inspections, then mills and other like concerns which already paid heavy fees to the Fire Insurance Association for the same purpose should be exempted from paying additional fees to Government. (*Appendix* **27.**)

INDIAN ELECTRICITY RULES.

AMENDMENTS.

Early in August, notice of certain proposed amendments to the Indian Electricity Rules was given in the *Government of India Gazette.*

The amendments proposed prescribed that no electrical installation work, repairs, adjustments, etc., to existing installations, etc., should be carried out except by or under the direct supervision of a person holding a certificate of competency granted by the Local Government.

The Committee approved of the amendment in so far as it applied to electrical work of a major nature, but suggested that considerable inconvenience will result if it is the intention of Government to apply the amendment to slight repairs, *e.g.*, renewing a bulb, serving up a ceiling-rose, making up a new connection to a lamp in case of short circuit, etc. The Government of India were therefore addressed with a view to altering the proposed rules accordingly. (*Appendix* **28.**)

DRAFT AMENDMENTS OF CURRENCY NOTES (REFUND) RULES.

By their resolution No. F/20-XI. F., dated 15th October, 1925, the Government of India, Finance Department, proposed to make certain amendments in the Currency Notes (Refund) Rules, 1921, in exercise of the powers conferred by Section 29 of the Indian Paper Currency Act, 1923. The object of the proposed amendments, which were not to come in force before 1st April, 1927, was to discourage the cutting of notes, which practice, in the opinion of Government, lent itself to the commission of fraud. The two changes of importance in the Refund Rules are reproduced below:—

(*a*) No claims on half or mismatched notes of the denominations of Rs. 5 and Rs. 10 will be admitted, *i.e.*, the possession of a half note of one of these denominations will no longer constitute a claim to payment of the full value of the note,

although cut notes properly joined together will be paid as hitherto, and claims on mutilated notes will be admitted if the portion presented is clearly more than half the note and the note can be identified by the enquiring officer as genuine.

(*b*) On half notes of the denominations of Rs. 50 and upwards half the value of the note will be paid at a Currency Office fourteen working days after its presentation, provided that in the meantime the counterpart has not been presented with a claim to the full value of the note. On the other hand, claims to full value on a note of which only a half is presented will be dealt with in the same way as claims on lost or wholly destroyed notes, and claimants will not obtain payment till after the lapse of 5 or 6 years instead of obtaining payment after the lapse of a period varying from six months to a year. In short, the effect of this change is to make it easier for the public to obtain half value on a half note, but to make it more difficult for them to obtain full value on a half note. It will, therefore, increase the risk of cutting notes.

It was further stated in the resolution that the main objection which might be urged against the proposed amendments was that they would increase the risk of remittance of notes by post. Government, however, maintained that in view of the facilities for cheap remittance now given by Government and the Imperial Bank, by means of bank transfers, currency transfers, money orders and postal insurance of notes up to the value of Rs. 2,000, the public would not be seriously inconvenienced if notes were never cut for remittance by post. Moreover, the amendments proposed on the rules would not absolutely prevent the cutting of notes for remittance by post; they would merely increase the risk of doing so, and it would be open to the public to take this risk if they wished to do so or to insure against it.

The Committee were of the opinion that the proposed amendments were not in the right direction, and they addressed a letter on the subject to the Government of India pointing out that the general public had a decided preference for making remittances by currency notes rather than by the other procedures mentioned by Government. This was due to the fact that bank facilities were not available everywhere, and the rates for money orders and the commission charged for bank drafts, etc., made it difficult for the general public to avail themselves of these facilities. Where bank facilities are not available and when hundies cannot be obtained, merchants have to send currency notes. The post office will not accept any insurance for over Rs. 2,000 and when a remittance of, say, Rs. 5,000 has to be made, the sender will have to make three insured packets which means serious inconvenience to the receiver who has to take delivery from the post office. In the Committee's opinion, what was most urgently required was a reduction in the rates of money orders. After this has been done, the proposed amendments might be brought into force in the case of currency notes for lower denominations than Rs. 100. (*Appendix* **29**.)

MUNICIPAL TAXATION PAYABLE BY MILLS.

During the year under review, the Committee made a series of representations to the Municipal Commissioner and also the Municipal Corporation on the subject of the excessive amount of taxes which cotton mills are paying to the Municipality. The whole subject was finally discussed at a conference between the Municipal Commissioner and a deputation from this Association on 3rd September. The Committee regret that up to the present they have met with no success in their attempts to have these burdens on cotton mills reduced. (*Appendix* **30A.**)

HALALKORE TAX.

By Section 140 (*b*) of the Bombay Municipal Act, 1888, it was provided that there should be levied on buildings and lands in the City of Bombay a Halalkore Tax of so many percentum, not exceeding three, of their rateable value as would, in the opinion of the Corporation, suffice to provide for the collection, removal and disposal by municipal agency, of all excrementitious and polluted matter from privies, urinals and cesspools and for efficiently maintaining and repairing the municipal drains constructed or used for the reception or conveyance of such matter, subject, however, to the proviso that the amount of such tax to be levied in respect of any hotel, club or other large premises may be specially fixed under Section 172 of the Act.

By Section 142 (1) (*b*) of the Act it was provided that the tax should be levied in respect of premises in which wherever situate, there was a privy, water-closet, cesspool, urinal, bathing place or cooking place connected by a drain with a municipal drain.

By Section 172 (1) of the Act, the Commissioner might, whenever he thought fit, fix the Halalkore Tax to be paid in respect of any hotel, club or other large premises at such special rates as should be approved by the Standing Committee in this behalf, either generally or in any particular case, whether the service in respect of which such tax was leviable be performed by halalkore or by substituted means or appliances.

In accordance with an order of the Municipality all the mills of the city had been fitted with water flushes in the sanitary conveniences provided for their workpeople and, as a result of that, no services were now rendered by municipal halalkores at the mill premises. The conveniences were maintained in working order and kept clean by special staffs at the expense of the mill authorities. Polluted matter was removed from the lavatories to the drains by a system of water flushing, the cost of which was borne entirely by the mills which have to pay for the water used at 16 annas per 1,000 gallons, the existing rate for trade purposes. Until recently mills were charged at a lower rate for flushing water, *viz.*, 4 annas per 1,000 gallons, and two gallons of water per man per day used to be allowed free of charge for drinking purposes. In several mills the levels of mill drains are lower than the municipal drains and as a consequence pumps had had to be installed to pump the sewage to the higher level so as to cause it to flow into the municipal drains. The cost of these pumps and the maintenance and working charges had been borne by the mills.

Under the above circumstances, the Committee submitted that at the present time as only the function of 'disposal' of polluted matter was effectively performed by municipal agency, mills were in all fairness entitled to some reasonable concession in the rate of assessment of Halalkore Tax to compensate for the expenditure actually incurred by them in regard to 'collection' and 'removal' of the excrementitious and polluted matter from the sanitary conveniences attached to the mill premises, and where pumps were installed to lift sewage, the Committee maintained that the cost of installation, maintenance and working of such pumps should be borne by the Municipality, and further the rate of water used for flushing and drinking purposes should be reduced to four annas per 1,000 gallons.

At the conference between the deputation from this Association and the Municipal Commissioner, the latter contended that statistics compiled by the Municipality went to show that the Municipality was not overcharging the taxpayers for the work in connection with the removal and disposal of excrementitious and polluted matter from privies, urinals and cesspools, etc. The fact that the mills of the city had been fitted with water-flushes in the sanitary conveniences provided for the workpeople did not warrant, in the Commissioner's opinion, a reduction in the Halalkore Tax, for he pointed out that this argument might be brought forward by private houseowners. The Commissioner also contended that the Municipality could not be expected to make any allowance on account of the pumps which had been installed in certain mills where the levels of mill drains were lower than the municipal drains, so that the sewage might be pumped to the higher level in order to cause it to flow into the municipal drains.

Water Tax.

By Resolution No. 8309 dated 18th November, 1924, the Standing Committee of the Bombay Municipal Corporation recommended, *inter alia*, that the water tax on rateable property should be maintained at its present level of 3¾ per cent. but that the tax by meter measurement should be raised to 14 annas per 1,000 gallons in certain cases, and 16 annas in other cases, including cotton mills. The Committee made more than one representation protesting against this inequitable arrangement.

The Committee would not have objected so strongly to the proposal of the Standing Committee if the new schemes which had led to the proposed enhancement in taxation were undertaken by the Municipality to supply the special needs of the industries, or if the number of persons employed in the industries had increased to an extent to justify the enhanced demand proposed to be made on industries. It was understood that early next year the city of Bombay was to receive about ten million gallons more water per day. Almost the whole of this would be used by the general consumer who, if the proposals of the Standing Committee were adopted, would not contribute any more than at present for the extra supply received. Industrial concerns, on the other hand, which would derive little, if any, benefit from the extra supply, would be made to pay a water tax 33⅓ per cent. higher than at present.

It appeared that the Municipality were supplying water to Bandra and suburban municipalities at the rate of 8 annas per 1,000 gallons, and these municipalities were charging industrial concerns at the rate of 10 annas per 1,000 gallons. This arrangement, the Committee pointed out, was not fair or equitable, and they contended that the industries of the city, on which so much of its prosperity depended, had a greater claim to the consideration of the Municipality than the population and the industries of the suburban districts. In the Committee's opinion, it was most essential that the Bombay Municipality should now come into line with the municipalities in England and other continental countries where it was generally recognised that industrial concerns should be charged for water at a lower rate than house-owners.

In order to bring home to the Corporation the gross unfairness of the Standing Committee's proposals, it was pointed out that in the year 1923-24 the total water consumed in Bombay City and Island was 17,876 million gallons and the total revenue derived was 53½ lakhs of rupees. On the other hand, the total water consumed by cotton mills was 938 million gallons, for which they paid slightly more than 7 lakhs. This showed that although cotton mills consumed only 5¼ per cent. of the total amount of water used, they paid no less than 13 per cent. of the total revenue, or 2½ times as much as they would have done under an equitable arrangement. On the basis of their consumption, a fair charge for the water used by the cotton mills would have been Rs. 2,81,000, which means that the mills even with a 12-annas rate paid Rs. 4,20,000 more than they should in equity have done. If the water rate was increased to 16 annas the mills would have to pay 2⅓ lakhs more than at present and 6½ lakhs more than their fair share. The Standing Committee's resolution came up before the Corporation in January, when the Chairman of the Standing Committee made a remarkable speech, the gist of which was that if the millowners put up with the excise duty, they should also put up with the enhanced water tax. The Association addressed a letter to the Corporation exposing the fallacies contained in the speech of the Chairman of the Standing Committee. The Association's efforts proved unavailing and the amendment moved by the Association's representative, Mr. H. P. Mody, urging the continuance of the existing rate, high as it was, was rejected and the original proposal of the Standing Committee was accepted by the Corporation, thus saddling the mill industry with additional taxation of two and a half lakhs annually.

The Association in their representations also drew the very serious attention of the Corporation to the constantly increasing amounts of taxation the cotton mill industry had been paying and reminded the Corporation of the following observations made by Sir M. Visveswaraya in his preliminary report on Municipal Retrenchment and Reform :—

> " The material progress of Bombay depends almost wholly upon the progress of industry and trade, and it is essential that the administration and development of the city should proceed upon lines calculated to assist, to the greatest possible extent, the steady and constant growth of these two avenues of employment and wealth."

At the conference on 3rd September, the Municipal Commissioner appeared to be impressed with the facts and figures placed before him regarding the water tax payable by mills. From the figures of 1924-25, it was ascertained in discussion that the cotton mills consumed only 1/17th of the total amount of water used, but they paid no less than 1/7th of the total revenue derived from the water-tax. The Commissioner agreed to place before the Standing Committee the Association's case for a reduction in the rate of water tax levied on mills. (*Appendix* **30B**.)

Municipal Assessment of Mills.

The Association's Annual Report for 1923 (pages 100 and 449) contains a report of the proceedings of the joint meeting of a Sub-Committee of the Association with the Municipal Commissioner and Assessor of Taxes in regard to the revision of Municipal assessment of mills and the provisional arrangements then agreed to in regard to the future assessment of mills.

It was also mutually agreed at that time that the existing assessments should be increased by 25 per cent., which, presumably, would bring book values more or less up to the present values. For some inexplicable reason, the case of mills built or extended since the revision of assessments in 1918 was overlooked and it was thought unfair that book values should be increased in such cases, and it was felt that the practice which had been followed since 1923 by the Municipality in enhancing the assessment of mills and extensions built or completed since 31st March, 1918, was in contravention of the spirit of the agreement referred to above.

The matter was therefore brought to the notice of the Municipal Commissioner and, in illustrating the injustice of the present system of assessment in respect of new buildings, the Committee quoted the following figures obtained from the Bombay Dyeing and Manufacturing Company, Limited :—

	Rateable value. Rs.
Land 102,783 sq. yds. @ Rs. 4 per sq. yd. = Rs. 4,11,132 .. at 4%	16,445
Buildings, Rs. 11,85,166 at cost plus 50% enhancement on cost—Rs. 17,40,583 .. .. at 6%	1,04,435
Gross assessment	1,20,880
Between 1918 and 1922 new buildings were erected at a cost of Rs. 22,84,690 .. .. at 6%	1,37,081
Making a total gross assessment in March, 1923 ..	2,57,961
In August, 1923, this assessment was enhanced by 25 % ..	64,490
Making a total gross assessment	3,22,451

The Committee maintained that the enhancement levied on the Bombay Dyeing and Manufacturing Company, Limited, should not have been levied on the cost of the buildings erected subsequent to 1918 for the reason that the present value of these extensions in 1923 was, if anything, considerably less than the book value, owing to their having been erected when building materials were at the top of the market. The 25 per cent. increase in assessment should only have been made applicable to erections in existence when the 1918 agreement was made, and the Bombay Dyeing and Manufacturing Company, Limited, have apparently been over-assessed to the extent of Rs. 30,200.

There were other mills in Bombay which had been also over-assessed under similar circumstances as the Bombay Dyeing and Manufacturing Company, Limited, and the Committee hoped that the Commissioner would appreciate the justice of the facts placed before him, and stated that if necessary they would be prepared to appoint a Sub-Committee to meet him in order to investigate that specific question in greater detail.

The Municipal Commissioner replied that he could not allow any refund of taxes paid, as in his opinion the agreement arrived at between the Association and the Corporation could not be disturbed during the quinquennium 1923-24 to 1928-29. As, however, the cost of building materials of structures put up since the year 1918 was not specifically discussed at that time, the Municipal Commissioner was prepared, on grounds of equity, to consider objection applications against the increased valuations in the current year, on the ground that the valuations covered an increase of 25 per cent. in the case of the valuations of structures added to the mills since 1918.

A copy of the Commissioner's letter was forwarded to all members, so that those members who had made extensions to their mills since 1918 might make an application to the Commissioner as suggested by him. (*Appendix* **30C**)

TERMINAL TAX.

(*See Report for* 1924, *page* 140.)

In the Association's Report for 1924, a reference was made to the protest lodged by the Association against the report submitted by the Income Committee of the Corporation recommending that certain articles mentioned in the Schedule to their report should be subjected to a terminal tax at rates laid down by them. The Association objected to the inclusion of certain articles in the schedule and recommended that the report be referred back to the Income Committee for reconsideration in consultation with important industrial, mercantile and commercial bodies.

The Report of the Income Committee came up before the Corporation in February, when an amendment that the matter be referred back to the Income Committee for reconsideration was passed by a large majority.

On 2nd March, 1925, the Income Committee submitted their second report, but this was practically a repetition of their original recommendations

with very slight alterations in the schedule. This report was adopted by the Corporation at a meeting held in June, and the only course now left for the Association is to oppose the legislation which it would be necessary to bring forward if the Corporation are to be empowered to give effect to the recommendations of the Income Committee.

It may be added that the Bombay Chamber of Commerce, the Indian Merchants' Chamber and this Association all accepted the principle of terminal taxation but objected only to the schedule attached to the report of the Income Committee. The Chamber of Commerce, however, about the end of May, decided to oppose even the principle of the Bill, on careful consideration of urgent representations from the Bombay Port Trust pointing out that the Trust relied on wharfage charges on all goods passing through the port for its main source of revenue, and that if the principle of Terminal Taxes were admitted, the Municipality would be given a prior lien on the taxable capacity of all goods passing through the Port. It was contended that this prior lien, which might amount to anything from Rs. 35 to 50 lakhs, would be equivalent to a very serious increase in wharfage charges, and to that extent of the tax the ability of the port to finance new docks or improve the facilities of the Port would be prejudiced and that it would not therefore be right that the Municipality should have recourse to this source of taxation. (*Appendix* **30D.**)

REFUND OF MUNICIPAL TAXES FOR THE STRIKE PERIOD.

Early in November, the Assessor and Collector of Municipal Taxes forwarded to the Association the following rules laid down for the purposes of claiming refunds of Municipal taxes on account of closure of mills :—

(*a*) Notice in writing to be sent to the Municipal Commissioner on closure of the mills.

(*b*) The closure in each case must be for not less than 60 consecutive days.

(*c*) On the mill resuming work immediate notice in writing should be given.

(*d*) Only one application will be entertained for each official half-year (*i.e.*, April to September and October to March).

(*e*) Notice of continued closure must be given within 7 days from the commencement of each half-year.

These rules were communicated to all members of the Association for their attention and necessary action. At the same time a letter was addressed to the Assessor and Collector stating that in the opinion of the Committee there was no justification for special rules being framed and that Sections 174 and 175 of the Bombay Municipal Act should be made applicable in the case of cotton mills closed on account of strike or other reasons for the

period laid down in these sections. If it be held for any reason that mills closed during the strike could not be said to come within the operation of these sections, then the Committee urged that the special rules in the case of mills should be framed on the lines of these sections. The rules quoted above were calculated to mete out less favourable treatment to mills than to other assessees entitled to the benefit of Sections 174-75, and the Committee submitted that such differential treatment was inequitable and against the spirit of the Act. For instance, under Section 174 of the Act, the whole of the Halalkhore Tax for the period the premises remained vacant has to be refunded, provided the period of vacancy is not less than thirty consecutive days. Under the special rules for mills, a closure of sixty consecutive days was necessary before the refund could be obtained, and nothing was stated in the rules as to whether the whole amount would be refunded or not. As a matter of fact, instances had occurred where full refund was not granted. Again, under Section 176 (3), when a vacancy continued from one half-year into the following half-year, the notice was required to be given to the Commissioner within thirty days from the commencement of the next following half-year. The Committee submitted that it was not fair in the case of mills the period should be reduced to one of seven days.

The Committee further pointed out that the rules were forwarded to the Association on 7th November, and therefore several mills had not submitted the notice within the specified time in respect of the second half of the official year commencing with 1st October. The Committee urged that claims of refunds should not be disallowed on the technical ground that the notice was not sent within the specified time, especially as it was known to the Municipality as well as the general public that all the mills in Bombay were closed during the strike period.

The Municipal Commissioner in his reply stated that the lateness in giving notice of the continued closure of the mills would be condoned and that one-third reduction in the valuation of the closed mills would be allowed from the date of notice of closure received by the Assessor and Collector up to 1st December, 1925, the date on which the strike ended. The Commissioner's decision was communicated to all members for their attention and necessary action. (*Appendix* **31**.)

BATHING PLACES FOR MILL OPERATIVES.

The Sanitary Measures Committee of the Corporation at their meeting held on 9th July, 1925, suggested the opening of negotiations with the mill-owners of the city on the question as to whether the latter would be prepared to provide bathing places for their employees in mills.

Accordingly the Municipal Commissioner addressed the Association in the middle of August and requested to be furnished with the Committee's views on the subject. The Commissioner further pointed out that the provision of baths for workers in coal mines in France was made compulsory ten years ago.

In reply, the Committee of the Association pointed out that there was no comparison between the case of workers in coal mines in France and that of the operatives in the cotton mills of Bombay and stated that it was not possible for them to entertain the proposal of the Sanitary Measures Committee. (*Appendix* **32.**)

CONDITIONS OF LABOUR IN INDIAN MILLS.

On more than one occasion during the year, the attention of the Committee was drawn to glaring mis-statements regarding conditions of Indian labour made in responsible quarters.

Mr. A. G. Watson, residing at Edinburgh, drew the Committee's attention to certain grossly misleading statements made at the Fifteenth Annual Conference of the Amalgamated Union of Operatives, Bakers, Confectioners and Allied Workers held at Nottingham in the middle of August. A cutting from the *Scotsman* sent by Mr. Watson, giving an account of the Conference, contained the following amazing statements :—

> "Mr. W. Banfield, General Secretary, said that the capital which ran the cotton mills in Bombay was the same as that which ran those in Lancashire, where the mill girls were being told that they must accept a cut in wages to meet the Bombay competition. If capitalists could make greater profits in Bombay, they would let the grass grow over the mills in Lancashire.
>
> "Mr. T. Ferris, Vice-Chairman of the Executive, said that in Bombay, children of five were working in the mills, and at the age of seven were working twelve hours a day for seven days a week."

While drawing the Committee's attention to the above totally false statements, Mr. Watson stated that many statements of a similar character appeared in the Press unchallenged, and it would be well if steps were taken to nail this one to the wall. The subject of the remarks, Mr. Watson pointed out, was a pet theme at home at present, and if nothing was done to contradict such statements, they would be taken up by other speakers and there was no saying what mischief they might lead to.

The Committee found much force in Mr. Watson's letter, and they addressed a letter to the *Scotsman* categorically contradicting the statements made by Messrs. Banfield and Ferris. As regards Mr. Banfield's statement, it was pointed out in the letter to the *Scotsman* that there was no Lancashire capital invested in the cotton mills of Bombay, and practically the whole of the share capital was held by Indians and in the majority of cases the management was entirely in the hands of Indians. As regards Mr. Ferris's statement, the necessary provisions of the Indian Factories Act were quoted to show how grossly inaccurate his statements were. In conclusion, the following extract regarding the sweated labour conditions in Japan was quoted from an article by T. Kadgistomo in the *Osaka Mainichi*, one of the most

widely circulated daily newspapers in Japan, which should provide Mr. Ferris and others with food for thought and give Lancashire an idea as to why they are losing their trade in India, East Africa, China and the Levant :—

> "The mills are at work day and night, all the year round with never a day off, but for a few near New Year and Bon holidays and the girls are kept at work twelve hours a day, the night shift succeeding the day shift workers at 6 p.m. to be at work till 6 next morning when the day shift take their place. In each case it is a steady twelve hours' work with but an hour's rest at noon or at midnight. This is regular slavery. . . . .
>
> "I found out further that these girls are made to sleep twenty of them in a room of twenty mats in the factory dormitory. What with twelve hours' work out of twenty-four and being packed like sardines in a box at night, it is no wonder that many of them go home with wrecked health, only to seek rest in their early graves. Early, I say, because most of them are young girls of twelve to fifteen and four or five years of exacting physical mental labour must sap their vitality."

The letter was duly published in the *Scotsman*, but the passage regarding Japanese labour conditions was deleted.

In the October number of the *Asiatic Review*, an article appeared from the pen of Lady Chatterjee, M.A., D.Sc., on the subject of Labour Legislation in India. Many of the views expressed by Lady Chatterjee were such as would not be endorsed by people with practical experience of the needs of labour in this country. The Committee, however, did not propose to offer any criticisms on these views, but there were also statements in the article which were not in accordance with facts, and these were refuted in a letter addressed by the Committee to the *Asiatic Review*.

In more than one place in her article Lady Chatterjee stated that in the Bombay cotton mill industry, wages of operatives were paid six weeks in arrears. It is, however, well known that the operatives get their wages for a particular month within the first 10 to 15 days of the succeeding month. Lady Chatterjee further remarked :—

> "Many firms have very elaborate systems of fines in force. Not only do they make deductions of wages for double the length of absence, but they also withhold wages when workers leave without giving due notice. The fines relating to faulty work are also in many cases severe. As the workers are, in the majority of cases, illiterate, and as wages are, in the Bombay cotton mill industry, for instance, paid six weeks in arrears, it is not possible for them either to check the amount of the fines deducted from their wages or even to comprehend exactly for what reasons the fines have been imposed."

This statement constituted a complete travesty of the true facts so far as the cotton mill industry of India is concerned. Fines are imposed in

this industry only when workmen turn out bad work, *e.g.*, when cloth is spoilt and unsaleable. The fines are, however, comparatively very light. Besides, Lady Chatterjee was completely mistaken when she stated that wages were reduced for double the length of absence. Lady Chatterjee also wrote in support of the Fortnightly Payments Bill which was introduced by Mr. Chaman Lal in the Legislative Assembly some time back. The Committee in their letter to the *Asiatic Review* gave the history of the question of the fortnightly payments of wages as set forth in the Association's Report for 1924 (pages 105–107), and pointed out how Lady Chatterjee's remarks were without foundation, and took no cognisance of the real needs and wishes of Indian labour.

Far more sweeping misstatements than those made by Lady Chatterjee were contained in the Appeal issued by the Secretariat of the International Federation of Trade Unions, Amsterdam, to the affiliated Trade Unions, to help the Bombay mill operatives on strike. A highly exaggerated picture of the condition of the mill operatives was given, and the wages of the operatives were called "Starvation Wages." The Committee issued a long statement giving the true facts of the case, and they gave the widest possible publicity to the statement in the public Press, both in this country and in England. This important statement is reproduced in full in the appendix. (*Appendix* **33.**)

HOUSING OF MILLHANDS.

Misstatements by Mr. T. Johnstone, M.P.

Mr. T. Johnstone, Labour M.P. for Dundee, paid a visit to India in December, and in interviews with Press representatives and in public meetings he indulged in certain statements regarding the housing of millhands, which were not in accordance with facts. Mr. Johnstone, accompanied by Mr. Symes, Secretary of the Dundee Jute Workers' Association, had a conference with a Sub-Committee of the Association, when correct facts and figures were placed before him. Subsequently, Mr. H. P. Mody, who presided at the conference with Mr. Johnstone, gave an interview to a representative of the *Times of India*, and the account of the interview as published in the *Times of India* of 25th December, 1925, is reproduced below:—

"The Bombay Millowners' reply to the criticisms of Mr. T. Johnstone, M.P., of the housing conditions of the millhands was given by Mr. H. P. Mody in an interview with a *Times of India* representative on Thursday. The millowners, he claimed, not only contributed a large sum annually to the housing scheme of the Development Department, but also built their own chawls. He pointed out that their chief difficulty was to get the workers to live in the new chawls built by the Development Department, 76 per cent. of which were empty.

"Mr. Mody, who spoke on behalf of the Millowners' Association, said that Mr. Johnston talked in horrified tones of the slums of Calcutta and Bombay, but slums were very much the same the world over, particularly

in industrial towns. With regard to the conditions of housing among the Bombay millhands, he would like to tell the public what the owners had done. Apart from the fact that many mills built their own chawls which yielded a very nominal return in capital, the industry as a whole contributed twelve lakks of rupees a year to the Government scheme for housing industrial workers. The Development Department originally intended to put up 50,000 tenements but owing to the fact that there was not sufficient demand, they cut down the programme and at the present moment there were only 16,000 tenements.

MANY EMPTY TENEMENTS.

" 'It will surprise the public to learn,' continued Mr. Mody, ' that out of 16,000 tenements, something over 12,000 were empty before the strike. The average rent of one of these tenements is Rs. 8 per month and taking an average of four single workers living in each tenement, the rent each has to pay works out at Rs. 2 per workman. In the case of a married man he has to pay Rs. 8 but he probably takes in a lodger and there is probably more than one earning member of the family. It will thus be seen that the rental in the Development chawls is well within the means of the worker in the mills.'

" Continuing, Mr. Mody said it had been alleged that these chawls were unsuitable and more like dungeons than dwelling houses, but they were an immeasurable improvement upon the chawls in which the industrial worker of Bombay lived before. Many of the recent chawls had been considerably improved as regards ventilation and lighting and were within easy access of the mills, yet in spite of all these advantages of rent, sanitation and easy access as many as 76 per cent. remained unused.

UNHEALTHY HABITS.

" Such were the habits of the workers that the authorities had always to be on the alert to see that more than four were not put in one of these rooms, and that the occupants did not block up all the windows and ventilators. At one mill where they built their own chawls, they had to keep a sanitary inspector to visit them and he had the greatest difficulty in keeping the windows free from rags and rubbish. The Indian workman was wedded to his surroundings and seemed to be averse to change, otherwise it was impossible to understand why he should prefer to live in horrible slums to the sanitary and up-to-date chawls which had been built for him.

" In spite of the fact that Mr. Johnston himself had admitted it was no part of the duty of the millowners to attend to the housing of their workers, it would be seen from these facts that the millowners were doing a great deal to ameliorate the conditions of the workers and were only handicapped by the indifference of the men themselves to any attempt at improvement.

INFANT MORTALITY.

" Mr. Johnston had also referred to the infant mortality in Bombay and alleged that it was 800 per thousand in one-room tenements. The facts were that in 1924, the infant mortality was 419 per thousand. The mortality in one-room tenements was 557 per thousand. These figures had to be offset

by the fact that while deaths were registered accurately, a great many births were never registered. These figures were high enough in all conscience, but a great deal was being done through municipal and other agencies to improve things, and during the last five years there had been a very gratifying improvement in the situation. The figures for 1925 promised to be even more encouraging. The Municipality and other bodies such as the Infant Welfare Society and the Baby Week organisation were doing a very great deal to educate opinion among the working classes and to afford them direct help in the form of maternity benefits and the supply of wholesome milk.

Spreading Primary Education.

" It was undoubtedly the ignorance of the workers that was responsible for these conditions. It was the business of the Municipality to look after education, but the industrialists might be said to be contributing very largely to the scheme for the spread of primary education as they were contributing in municipal taxation, 300 per cent. more than they did a few years ago.

" ' I think the all-important thing as far as the industrial workers' lives are concerned is education,' proceeded Mr. Mody. ' It is gratifying to know that the Bombay Corporation are making a determined effort to introduce free and compulsory primary education, in spite of the fact that Government has backed out of its original undertaking to contribute half the additional cost.'

" With regard to the question of Trade Unionism, Mr. Mody said that the millowners had told Mr. Johnston that they had no objection whatever to the formation of a legitimate trade union to speak on behalf of the workers providing it was organised on recognised lines and free from the taint of political agitation and self-aggrandisement. The millowners had made their position in this respect very clear in the representations which they submitted from time to time to Government on the Bill introduced in the Legislative Assembly on trade unions. The opinion of many millowners was that unless trade unions were organised and run largely by men themselves in the industry concerned, that is to say if they were not altogether dominated by outsiders, there was no reason why the movement should not be encouraged in every way. Their contention was that most of the so-called ' leaders ' had not the least influence with the men, though they had always been willing to meet them. In fact they met these representatives twice before making the cut in wages in order to explain the position thoroughly to them."

PROVISION OF CRECHES IN THE MILL AREA.

The Hon'ble Mr. Cowasji Jehangir, C.I.E., O.B.E., J.P., Member of the Executive Council of the Government of Bombay, and Mr. C. W. A. Turner, I.C.S., Secretary to the Government of Bombay, General Department, having expressed a desire to discuss with the Committee the question of establishing crèches in the mill area, a special meeting of the Committee

was held for the purpose on Tuesday, 14th July, 1925. An interesting discussion took place, and the Hon'ble Mr. Cowasji Jehangir informed the Committee that Government would address them on the subject in due course.

Subsequently a letter was received from the Government of Bombay outlining their proposals and soliciting the Association's views thereon. These proposals briefly were :—

(*a*) That 11 central créches should be provided with accommodation for about 725 children of women operatives in the mills.

(*b*) That the millowners should provide the buildings and equipment required.

(*c*) That Government would provide the recurring expenditure for running the créches.

(*d*) That the créches should be handed over and managed by the Infant Welfare Society.

On careful consideration of the proposals put forward by Government it appeared to the Committee that the total cost of putting suitable structures for créches and of equipping 725 beds as per the scheme outlined in the letter from the Government of Bombay would be about Rs. 2,35,000 and the annual recurring cost was estimated at Rs. 11,120. Details on which these figures were based were given by the Committee in the letter to the Government of Bombay reproduced in the Appendix.

The Committee contended that the costs to be incurred were prohibitive and they further pointed out that some of the members of the Committee who had had practical experience of the working of créches in their mills had come to the conclusion that these créches were not taken advantage of to any appreciable extent by those for whose benefit they were intended.

The Committee next pointed out the difficulties which would arise if the créches were placed in the compound of a particular mill and if the women employed by other mills had to go to that particular mill to feed their children, etc. The operatives lost enough time now but there would be every excuse for losing more time if such a scheme were adopted and in any case it would not be in the interests of discipline for operatives to wander into the premises of other mills practically at their own sweet will.

On the other hand, if the crèches were near the chawls of the factory operatives it would be impossible for a female operative to feed her child during working hours and there would be no practical means of ascertaining whether the children in a particular crèche were the children of women factory workers. The Committee were of the opinion that in 70 per cent. of cases they would not be, and it was certainly unfair that mills should be asked to build crèches for the general population of Bombay.

The Committee were, however, anxious not to be misunderstood. They were firmly of opinion that Government should do everything in their power for the preservation of the health of infants in the poor and backward classes of society and they believed that if crèches were run on sound and practical lines, they would fill a great desideratum. If Government would undertake to equip creches for the whole female population of Bombay, mills would willingly pay their correct quota, but it was difficult to understand why Government should solely concern themselves with the children of female operatives employed in the mills, when a much larger number of women were employed in other industries and occupations.

The Committee suggested that the Infant Welfare Society might be asked to take over the creches already in existence at some of the mills, and Government should provide the money required to run these creches on model lines. If after the experience of two years it seemed desirable to have further crèches, then the Committee suggest the framing of a scheme somewhat similar to the one suggested by Government but embracing women workers as a whole and not only factory workers . . . . the costs to be borne in satisfactory proportions by the employers of female labour including the Municipality, Improvement Trust, Port Trust, Local Government, etc. The Committee promised to give their most sympathetic and favourable consideration to such a scheme.

In conclusion, the Committee stated that schemes of social welfare, large or small, affecting the entire labouring classes of a city were universally recognised as primarily and essentially the duties of the state and not of certain individuals, or classes, or organised bodies, and that they should be considered from all points of view before even being tentatively introduced.

The question of provision of creches in connection with the Mill industry also formed the subject of correspondance between the Municipal Corporation and this Association.

In pursuance of a resolution passed by the Bombay Municipal Corporation on 27th July, 1925, the Executive Health Officer, Bombay Municipality, addressed a letter to the Association, inquiring how many mills in Bombay had been provided with creches, and in regard to each mill in which a creche was provided, he desired to know (1) the average number of women employed and (2) the number of infants that could be accommodated in the crèche without overcrowding. After obtaining the requisite particulars from members, the Association informed the Executive Health Officer that there were 82 spinning and weaving mills in Bombay City and Island of which the undermentioned 8 mills had been provided with creches, the average number of women employed in these 8 mills and the number of infants that could be accommodated in the creches without overcrowding being as follows ;—

No.	Name of Mill.	Average No. of women employed.	Number of infants that can be accommodated without overcrowding.
1	The Bombay Dyeing and Mfg. Co. Ltd ..	707	50
2	The Khatau Makanji Spg. and Wvg. Co. ..	327	11
3	The Manockjee Petit Mfg. Co., Ltd. ..	1,220	50
4	The Pearl Mills, Ltd.,..	555	
5	The Fazulbhoy Mills, Ltd.	304	
6	The Ebrahim Pabaney Mills, Ltd.	769	70
7	The Premier Mills, Ltd.	282	
8	The Currimbhoy Mills, Ltd.	925	

About the end of November, the Association's letter came up before the Municipal Corporation with a covering letter from the Municipal Commissioner in which the latter observed: " The provision of sanitary and well-managed creches at the mills is evidently desirable. The question as to whether or not the cost of their provision and maintenance should be borne in whole or in part by the millowners is a difficult one on which it is clearly possible for the widest divergence of opinion to exist." The Municipal Corporation passed a resolution as below which was duly communicated to the Association by the Municipal Secretary :—

" That the letter from the Commissioner, No. H. 27/A, dated the 10th October, 1925, forwarding a report regarding the provision of creches in Bombay mills, be *recorded*.

" 2. That the Corporation are of opinion that it is highly desirable to provide creches in all the mills of the City for the protection of infants of women employed in the mills.

" 3. That a copy of this Resolution be forwarded to the Millowners' Association for information and favourable consideration."

In reply the Committee forwarded to the Municipal Secretary a copy of the Association's letter addressed to the Government of Bombay and added that the Committee would be pleased to render every possible assistance to the Municipality in any attempt it may make for the establishment of creches for the benefit of the backward and forward classes of the city, whether employed in mills or not, but on the understanding that no fresh taxation will be imposed on the industry to meet the costs of the equipment and maintenance of the creches. (*Appendix* **34.**)

TARIFF BOARD.

PROTECTION FOR MAGNESIUM CHLORIDE.

(*See Report for* 1924, *pages* 136 *and* 498.)

The report of the Tariff Board on their enquiry in connection with the application of the Pioneer Magnesia Works urging upon the Government of India to impose a duty of 200% on imported magnesium chloride as a measure of protection to the Indian industry, was published early in 1925,

The Tariff Board came to the conclusion that a sufficient case had not been made out in support of the claim.

PROTECTION FOR THE INDIAN COAL INDUSTRY.

THE INDIAN COAL COMMITTEE.

(*See pages* 127 *and* 479 *of Report for* 1924.)

The previous issue of the Association's Report summarises the views expressed by the Committee of the Association in reply to the questionnaire tabulated by the Indian Coal Committee.

Early in January, immediately on receipt of the Association's representation, the Secretary to the Coal Committee informed this Association that his Committee particularly desired to have the benefit of the oral evidence of a millowners' representative and further requested the Committee to select a representative who might be co-opted as a member of the Indian Coal Committee as representative of Bombay consumers, during their stay in Bombay.

In this connection, it will be remembered that the Committee did not desire to appoint a witness to tender oral evidence before the Coal Committee, but with reference to the other request of the Coal Committee they appointed Mr. N. N. Wadia, C.I.E.

Mr. Wadia was accordingly co-opted as a member of the Coal Committee for their sittings in Bombay, and ten witnesses from Bombay representing all sections of the industry were examined.

The Indian Coal Committee's report was published in the middle of 1925 and a summary of their recommendations is printed in the appendix for purposes of record. (*Appendix* **35.**)

PROTECTION FOR THE INDIAN COAL INDUSTRY—INQUIRY BY THE TARIFF BOARD.

The following Resolution of the Government of India was published in the *Gazette of India*, dated 3rd October, 1925 :—

> "In accordance with the statement made in the Legislative Assembly on the 15th of March, 1924, the Government of India have now decided to refer to the Tariff Board for investigation the question whether a protective duty should be imposed on imported coal generally or on coal imported from any particular country or countries, and, if so, at what rates.
>
> "2. Firm or persons interested, who desired that their views should be considered by the Tariff Board, should address their representations direct to the Secretary, Tariff Board."

Early in November, the Tariff Board issued a Press *Communique* intimating that they had received from the Indian Mining Federation a representation in which the following proposals were made :—

(1) The imposition of protective duties at the following rates :—

(*a*) Rs. 5 a ton on coal imported from South Africa ;
(*b*) Rs. 10 a ton on coal imported from any other country ;
(*c*) Half an anna a gallon on imported fuel oil.

(2) The grant of a bounty of Rs. 3 a ton on coal exported to foreign countries.

In the course of this Press *Communique*, the Tariff Board stated :—

"The grant of a bounty on exported coal is beyond the scope of the reference made to the Board and this proposal will not be considered by them. The proposal that a protective duty should be imposed on fuel oil is also beyond the terms of reference, and raises issues different in their nature from those connected with coal and more far-reaching in their scope. The Board are prepared to admit evidence tending to show that a protective duty might be wholly or practically ineffective unless it were accompanied by a duty on fuel oil and evidence bearing on the comparative cost to industries of using fuel oil or coal, especially in Bombay and Sind. It would have been necessary to examine these aspects of the case even if no proposal for a protective duty on fuel oil had been made. But the Board will not in this enquiry consider the question whether a duty on fuel oil should be imposed, and will confine themselves to the single issue whether a duty should be imposed on coal and, if so, at what rates."

A copy of the representation made by the Indian Mining Federation was forwarded to this Association by the Tariff Board together with a copy of the questionnaire framed by them with a request for the Association's views thereon. The Board also forwarded to the Association certain supplementary questions regarding the comparative costs to industries of using coal, hydro-electricity and fuel oil.

The Committee in their reply opposed the levy of protective duties on imported coal. In the first place it was only in the Bombay market that Bengal coal had to face competition with foreign coal and it was therefore unreasonable to levy a protective duty which would possibly affect the price of coal all over India. The Committee further pointed out that a very large number of Bengal collieries raising lower class coal commenced operations during the boom years when the demand for the lower grades of the Indian coal was absolutely abnormal. In normal times when the demand for the lower grades of Indian coal had never been great, such collieries could not possibly compete against collieries producing better grades of coal, except in a very limited local market. If owing to the paucity of demand, the better class collieries were constrained to reduce their margin of profit, the second class collieries would necessarily be hard hit and many of them would be

squeezed out of existence. The Indian Mining Federation demanded a protective duty of Rs. 5 per ton on Natal and Transvaal coal on the ground that this degree of protection was required to enable even the weakest of Indian collieries, raising the lowest quality of coal, to make a profit, but the Committee contended that no protective duties could save these second class collieries which must close down through force of economic laws, even if they might have served a more or less useful purpose in abnormal times.

Again, the demand for coal in Bombay had been permanently reduced owing to the fact that a large number of mills had changed over from steam to hydro-electric power, and it was extremely doubtful whether the demand for Indian coal could be very greatly increased by the imposition of protective duties. The Committee also drew Government's attention to the fact that first class Bengal coal was being placed upon the Bombay market at a price which enabled it to compete against imported foreign coal. The prices at which contracts for first class Bengal coal of guaranteed calorific value had been made by the Bombay Port Trust and certain Bombay mills in recent months went to show that first class Bengal coal could compete with foreign coal without protection.

The Indian Mining Federation in their representation stated that the C. I. F. prices of Indian coal to Bombay and Karachi were identical, and they worked out the C. I. F. prices as below :—

Cost of coal at pit-head	Rs. 5 (Jharia).
Railway freight	Rs. 2–12 (Jharia coal).
Port Commissioners' charges	Rs. 1-2 (including grading fee and cost of supervision).
Insurance	Annas 3.
Allowance for shortage	Annas 5 (being 4 per cent of f.o.b. cost).
Finance	Annas 4.
Agency charges at destination	Annas 4.
Steamer freight	Rs. 8–4
Total ..	Rs. 18–2

In the Committee's opinion, the above figures were too high. At the present time steamer freight from Calcutta to Bombay could be obtained at Rs. 7 or less per ton, and the allowance of annas five for shortage also appeared too high to the Committee. The raising costs were also in the high side for certain collieries, but might be approximately correct for the collieries affiliated to the Indian Mining Federation.

While the Committee were convinced that no case had been made out for the imposition of protective import duties, they were convinced that a substantial reduction on long-distance railway freights would help the Bengal Coal Trade, and they concluded their representation with a plea for reduction in railway freights, especially as there was reason to believe that the annual saving effected by railways in fuel charges and stores, due largely to the fall in coal prices, was not less than Rs. 3 crores. The general and special questionnaire, and the Committee's replies thereto will be found in Appendix **36.**

THE INDIAN TAXATION ENQUIRY COMMITTEE.

(*See Report for* 1924, *pages* 124 *and* 472).

When the last issue of the Report was in the press the Association had received from the Secretary, Indian Taxation Enquiry Committee, a questionnaire for favour of an expression of opinion on the points raised therein. The questions received the careful consideration of the Committee who, in their reply, drew the serious attention of the Taxation Enquiry Committee to the crushing burdens of taxation imposed upon the cotton mill industry.

It was pointed out that the total charges paid by the mill industry by way of taxes was estimated to be equivalent to a tax of nearly 8 per cent. on the share capital invested in the industry, which was at least 5 per cent. more than any other major industry was called upon to pay, and acted as a severe handicap in meeting competition in the home and other markets.

Next a special reference was made to the most crushing and inequitable burden imposed upon the industry, *viz.*, the $3\frac{1}{2}\%$ cotton excise duty, and amazement was expressed at the fact that although the duty had been unequivocally condemned by the highest officers in the realm—men like Mr. Lloyd George, Mr. Austen Chamberlain, Lord Hardinge, Lord Carmichael, Lord Willingdon—the Government of India should insist on retaining the duty for the sake of the revenue it brought, irrespective of all other considerations—political, economical and moral. Moreover, the excise duty was not levied, in the first instance, for revenue purposes, but to placate Lancashire, and now that its iniquity and its ruinous consequences on the premier industry of the country were proved to the hilt, it was hardly fair or just that its retention should be advocated for the sake of the "tainted money" it brought into the coffers of the Government of India.

After expatiating on the most objectionable feature of the cotton excise duty, *viz.*, that it was a tax on production and not on profits, the Committee of the Association proceeded to draw the attention of the Taxation Enquiry Committee to the greatly increased cost entailed on mills during recent years by the cotton excise duty as compared with pre-war years. At the present time the cost of the duty was on an average about three-quarters of an anna per pound of cloth produced as against little over one-fourth of an anna in 1913-14. The reason for this was that the price of cloth

had increased considerably owing to increases in prices of raw cotton, stores, etc., increased taxation, very much higher wages and shorter hours of labour. The result was that a shirting which cost eight annas per pound to produce in 1914 now cost 20 annas to produce. Thus Government were collecting about two and a half times the duty collected in 1914, *viz.*, 210 lakhs against 84 lakhs, *i.e.*, practically 126 lakhs more on account of the cause indicated above.

As regards the ruinous effects of the duty on the cotton mill industry of India, particularly in regard to the formidable competition from Japan, the Committee of the Association drew the attention of the Taxation Enquiry Committee to the Association's publication on "The Cotton Excise Duty."

The Committee next proceeded to answer some of the questions contained in the questionnaire framed by the Taxation Enquiry Committee, and the more important points brought out in the answers given by the Committee of this Association are detailed below :—

Question (4) :—The Committee were of opinion that there was considerable room for improvement in the present system of compiling and collecting statistics relating to agriculture, and that Government should formulate a scheme for furnishing the public with accurate and satisfactory data and statistics relating to agriculture.

Question (5) :—The Committee were strongly opposed to the enactment in India of an Act on the lines of the English Census of Production Act which had proved a most expensive failure in England.

Question (6) :—The Committee expressed themselves strongly against introducing legislation for the compulsory collection of statistics, and in this connection they drew the attention of the Taxation Enquiry Committee to the representations made by the Association to the Government of Bombay in connection with the statistics which was introduced by Government in the Legislative Council and which was eventually withdrawn.

Question (47) :—In the Committee's opinion, the existing arrangements in regard to assessment of income-tax on the previous year's income were satisfactory, but it was pointed out that the Government of India in the year 1919 revised the Income-tax Act and made income-tax payable on actual profits. This necessitated an adjustment of the income-tax and super-tax payable by individuals at the end of each year. Between 1919 and 1921 the profits of the mill industry were increasing, and Government by this revision and readjustment of the Income-tax Act made considerable gains. In 1922, however, the Act was again revised and assessments were made on the previous year's income. The result was that when profits declined, Government very cleverly took away the clause of yearly adjustment to the detriment of companies and individuals but to the benefit of the Government exchequer.

Question (48) :—The Committee accepted the principle that the articles to be taxed should be few but sufficient in number and of such kind as to touch all classes and to reach, in a moderate degree, those who do not contribute to direct taxation. The Committee, however, pointed out that the application of this principle by Imperial, Provincial and Municipal authorities at the same time was likely to operate very prejudicially inasmuch as one and the same article was likely to be taxed more than once. By way of an illustration the Committee drew the attention of the Taxation Enquiry Committee to the terminal tax proposed to be levied by the Bombay Municipality. Under this scheme several commodities, *e.g.*, coal, liquid fuel, machinery, etc., which were already subject to import duties levied by the Government of India, were included in the schedule of articles proposed to be subjected to terminal tax, and this obviously meant great hardship on the mill industry which largely consumed the articles named.

Question (82) :—The Committee strongly supported the proposal to levy an export duty on cotton. At present the Japanese purchased their cotton from this country, carried it to Japan, manufactured it into yarn and cloth and then shipped it back to India and to the other legitimate markets of India to the great detriment of the Indian textile industry. In the Committee's opinion, a small export duty would yield two crores annually and would thus furnish Government with sufficient sources of revenue which would make it easier for them to abolish the cotton excise duty. In the Committee's opinion, a small export duty would not operate harshly on the cultivator. There could be no doubt that the demand for Indian cotton would go on increasing, especially as even Lancashire was now turning to the manufacture of coarser goods and was therefore importing Indian cotton in larger quantities. Moreover, an export duty would further help in assuring the indigenous industry of an adequate supply of cotton.

Question (83) :—In the Committee's opinion, it could not be laid down definitely whether an *ad valorem* or specific duty should be preferred, but so far as cotton was concerned, the Committee maintained that the export duty recommended by them should be, in the first place, a specific duty, which would make it much cheaper and easier to collect and make it more readily possible to calculate the amount of revenue which could be derived from it, and also would make it more difficult for the tax to be passed back to the cultivator by the Japanese.

Question (106) :—The Committee held that the main criterion for levying taxes should also be the measure of the benefit received provided always that the ability to pay was taken into consideration. They pointed out that this principle was violated by the Bombay Municipality in levying taxes on the cotton mill industry of Bombay, and in this connection the Committee drew the careful attention of the Taxation Enquiry Committee to the representations made by the Association to the Municipal Commissioner.

Question (116) :—The Committee did not understand what the Taxation Enquiry Committee meant by "a manufacturing tax on cotton." Presumably it was another name for cotton excise duty, regarding which the Committee's views were only too well known.

In regard to a tax on companies, the Committee pointed out that there was already a super-tax on the profits of the companies in addition to the income-tax. The Committee strongly recommended the abolition of this super-tax which was an impediment to the development of industries.

Question (119) :—The Committee saw no reason why business profits should escape taxation. As regards employers of labour, it was pointed out that they were already taxed by the Workmen's Compensation Act, etc. As regards taxing transactions in capital and exchange, the Committee apprehended that it will be found difficult and costly if not impossible in practice.

Question (120) :—The Committee held that no satisfactory case had, however, been made out for exempting agricultural incomes from income-tax and super-tax and they strongly recommended the advisability of imposing these taxes on agricultural income. It was very anomalous that agricultural income, however considerable, should be exempted from taxation while a clerk earning Rs. 2,000 per annum should be liable to pay income-tax. The Committee, however, did not favour succession or legacy or heavy profit duties as suitable in the present conditions of India, where money was so essential for the agricultural and industrial development of the country.

In conclusion, the Committee pointed out that although they had given their views on the different questions in which they were interested, they were very sceptical as to the ultimate results of the labours of the Taxation Enquiry Committee. The Committee were of the opinion that the Taxation Enquiry Committee should have confined their attention to a few broad and important questions instead of framing such an elaborate questionnaire and going too much into minute and unimportant details. The Association, however, expressed the hope that the labours of the Taxation Enquiry Committee would result in sound and useful recommendations being made to the Government of India, particularly in bringing home to them the hopeless plight to which the cotton mill industry had been reduced by the crushing burdens of taxation imposed on it. (*Appendix* **37.**)

INDIAN ECONOMIC ENQUIRY COMMITTEE.

On 22nd January, 1925, the Government of India published the following resolution :—

"The Government of India have had under consideration the best method of giving effect to the wishes of the Legislature in connection with the institution of a general economic enquiry in India. They have come to the conclusion that before any wider enquiry can usefully be inaugurated, it is necessary to collate and examine the existing material,

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to ascertain how it can best be supplemented and to determine what lines an economic enquiry into the resources of the country should take. They have accordingly decided, with the approval of the Secretary of State, to appoint immediately a small Committee for the purpose consisting of the following gentlemen who have consented to serve on it :—

Sir M. Visvesvaraya, K.C.I.E., D.Sc., M.I.C.E., *Chairman.*
Rai Bahadur Pandit Hari Kishan Kaul, C.S.I., C.I.E., *Member,* and
Mr. A. R. Burnett-Hurst, B.Sc., Professor, Muir Central College, Allahabad, *Member and Secretary.*

2. The following are the terms of reference to the Committee :—

To examine the material at present available for framing an estimate of the economic condition of the various classes of the people of British India ; to report on its adequacy ; and to make recommendations as to the best manner in which it may be supplemented, and as to the lines on which a general economic survey should be carried out, with an estimate of the expenditure involved in giving effect to such recommendations."

The Committee of the Association felt that there was no justification for the institution of a Committee for the purpose and with the terms of reference mentioned above. What the Indian Legislature and the public of India demanded was a Committee to make an investigation into the economic condition of the people of this country. The present Committee was, however, formed only with the object of collating and examining the existing material, ascertaining how it could best be supplemented and determining what lines an economic enquiry into the resources of the country should take. In short, the Indian Economic Enquiry Committee was formed, *inter alia,* with the object of reporting firstly as to whether there was any *raison d'etre* for the Committee demanded by the Indian Legislature and by the Indian public, and secondly as to what in their opinion constituted the best lines on which such a Committee, if at all formed at a later date, should conduct their enquiries. The Committee of this Association felt that the Economic Enquiry Committee formed with the above objects was only calculated to defeat public opinion which had persistently demanded a thorough, independent and expert investigation into the present economic conditions of the country; and which public opinion found reflection in the Indian Legislature sometime back.

In the middle of April the Economic Enquiry Committee forwarded to this Association a copy of their questionnaire and solicited the Association's views thereon. The Committee thought it best not to answer the questionnaire, but merely to communicate the above-mentioned views to the Economic Enquiry Committee. A letter was accordingly addressed to the Economic Enquiry Committee expressing these views and protesting against the constitution and the terms of reference of the Committee, and adding that the Committee of this Association were unanimously of the opinion that it would be a sheer waste of energy and time on their part if they were to attempt to answer the very formidable questionnaire framed by the Economic Enquiry Committee. (*Appendix* **38.**)

EXTERNAL CAPITAL ENQUIRY COMMITTEE.

During the debate in the Legislative Assembly on 2nd March, 1922, Mr. A. C. Chatterjee, on behalf of the Government of India, stated :—

> "The settled policy of the Government of India, as I think we have mentioned more than once in this Assembly, is that no concession should be given to any firms in regard to industries in India unless such firms have a rupee capital, unless such firms have a proportion, at any rate, of Indian directors and unless such firms allow facilities for Indian apprentices to be trained in their works."

This view was confirmed by the Indian Fiscal Commission who, in para 292 of their report, stated :—

> "Where the Indian Government is granting concessions or where the Indian taxpayer's money is being devoted to the stimulation of an enterprise, it is reasonable that special stress should be laid on the Indian character of the companies thus favoured."

When the Steel Industry (Protection) Bill was being discussed in the Assembly on 5th June, 1925, Pundit Motilal Nehru moved an amendment to clause 5 of the Bill on "conditions qualifying for bounties" on the lines of the promise given in the Assembly by Mr. A. C. Chatterjee. The Hon'ble Sir Charles Innes, in accepting the amendment on behalf of the Government of India, stated :—

> "The House will remember that yesterday in the course of the debate, Government were forced to incorporate in the Bill provisions on the lines of para 292 of the Fiscal Commission's Report and on the lines of the statement of policy outlined by the Hon. Mr. Chatterjee in this House on 2nd March, 1922. . . . . We recognise that this is a matter on which the House feels strongly and we have decided to do our best to meet the wishes of the House . . . I am aware that there are sections in the House which would like to go further and which would like to incorporate in the Bill specific provisions regarding the proportion of Indian capital or specific restrictions upon the proportion of foreign capital. I am prepared to take up separately the examination of questions of that kind and in that examination I am prepared to associate with the Government a Committee of the legislature appointed *ad hoc* for the purpose."

In accordance with the above promise given by Sir Charles Innes, the undermentioned Committee was appointed to consider *ad hoc* the question of the flow of foreign capital into India :—

The Hon. Sir Basil Blackett, K.C.B. (*Chairman*).

The Hon. Sir Charles Innes, K.C.S.I., C.I.E.,
The Hon. Mr. J. W. A. Bell,
The Hon. Mr. G. A. Natesan,
The Hon. Dr. Dwarakanath Mitter,
Mr. W. S. J. Willson, M.L.A.,
Sir P. S. Sivaswami Iyer, K.C.S.I., C.I.E., M.L.A.,
Pandit Madan Mohan Malaviya, M.L.A.,
Mr. Vithalbhai Jhaverbhai Patel, M.L.A.,
} *Members.*

Towards the end of January, the External Capital Committee forwarded to the Association a copy of the questionnaire framed by them for an expression of opinion. The questions of the External Capital Committee and summaries of the Association's replies thereto are given below :—

(1) What are the different forms in which external capital enters India ?

Speaking generally, the forms in which external capital enters India might be summarised under the following heads :—

(*a*) Gold and silver as bullion and in the form of coinage.
(*b*) Foreign bills of exchange and letters of credit.
(*c*) Securities of the Home Government and the securities of the Government of India.
(*d*) Merchandise, and machinery and goods generally.
(*e*) Shares, loans and debentures to companies and private individuals.

(2) In which of these cases is the entry either objectionable or necessary in the interests of India generally and of Indian industries in particular ?

The Committee strongly advocated the unrestricted entry of external capital in all forms, except when it could be definitely proved that it was being used in preference to indigenous capital. The only exception they desired to suggest was in regard to the share capital of foreign industrial enterprises located in India, in respect of which the Committee suggested that 50 per cent. of the share capital should be made available for subscription in India for a period of six months after the issue of the prospectus. In case the amount thus made available for subscription in this country was not wholly taken up within the prescribed period then the remaining portion of the share capital might be subscribed abroad.

The Committee also urged the necessity of legislation for making registration in India compulsory in the cases of concerns financed by foreign capital operating in India and also making it compulsory for such concerns to invest a half or at the very least a third of their reserve funds in India.

(3) Is it necessary to encourage the entry of any particular variety ?

(4) If so, what steps should be taken in this direction and to what extent is capital likely to be forthcoming as the result of such steps ?

In the Committee's opinion, it was not necessary to encourage the entry of any particular variety of foreign capital. The freer the flow of all kinds of capital, the greater the benefit to Indian industrial development.

(5) How far is it possible to replace external by internal capital ?

External capital can be replaced by indigenous capital in proportion to the savings which the country accumulates by way of profits upon its internal and external trade. The Committee urged the development of more adequate and satisfactory banking facilities on the lines of industrial banks of Germany and Japan and also the necessity of educating the people of India to realise the benefits of investing their savings instead of hoarding.

(6) (*i*) What measures are necessary for the greater attraction of indigenous capital for industrial purposes ?

In order that indigenous capital might be attracted for industrial purposes to a greater extent, the Committee advocated a generous measure of protection or bounties in the initial stages of suitable infant industries and abolition of taxes which had restrictive or adverse effects on industries, *e.g.*, Cotton Excise Duty.

(6) (*ii*) What measures are necessary for the development of banking organisation and credit facilities in India ?

As regards development of banking organisation and credit facilities, the Committee endorsed the various recommendations made by Sir Dinshaw E. Wacha. Firstly, as many banking institutions on thoroughly sound basis as may be deemed necessary should be established from time to time. Beyond such local banking concerns, Sir D. E. Wacha urged the establishment of banks with a capital of at least 5 crores of the type and nature of the German Deutsche Bank in the more important cities. Sir Dinshaw Wacha also recommended the establishment of agricultural banks on the lines of the Agricultural Bank of Egypt so beneficially fostered by the late Earl Cromer. Savings of smaller investors should be constantly utilised by means of State certificates similar to postal ones at present available but of higher denominations. Lastly, Sir Dinshaw Wacha recommended an increase in the capital of the Imperial Bank of India so as to enlarge the scope of its utility in the matter of industrial development.

(7) What are the forms of external capital the entry of which is objectionable ?

(8) What are the objections in each such case ?

(9) What restrictions can and should be imposed in each such case ?

The Committee's views had been already indicated in answer to question (2), but it was held that where the terms offered by various countries are equal, preference might be given to British capital in the case of Government borrowings abroad.

(10) What would be the effect of any such restriction on the—

(1) Industries and development of the country generally,

(2) loan policy of Governments and local bodies, and

(3) holders of investments ?

In the Committee's opinion, a policy of restriction would constitute an economic mistake, as no amount of foreign capital supplied at low rates of interest could possibly injure India.

(11) Is it necessary to differentiate in any respect and, if so, how much would you differentiate between :—

(1) British and foreign capital, and

(2) Capital from foreign countries which exercise such discrimination and from those which do not ?

In view of the answers given to previous questions, no answer appeared to be necessary.

(12) What is the practice in other countries (specially in the British Dominions) in the matter of encouraging or restricting the flow of foreign capital ?

The Committee had no detailed knowledge regarding practices obtaining in other countries, but they urged the special needs and interests of India should be the paramount consideration of the Government of India in framing any policy for restriction or encouragement, irrespective of the policies prevailing in other countries. (*Appendix* **39**).

ROYAL COMMISSION ON INDIAN CURRENCY—STATEMENT PRESENTED BY THE ASSOCIATION.

On 20th August, 1925, His Excellency Lord Reading, while opening the third session of the second Legislative Assembly, announced the appointment of a Royal Commission on Indian Currency with the following terms of reference :—

"To examine and report on the Indian exchange and currency system and practice; to consider whether any modifications are desirable in the interests of India, and to make recommendations."

The Right Honourable Hilton Young was appointed Chairman of the Commission, the other members being :—

Professor J. C. Coyajee,
Sir Maneckji Dadabhoy,
Sir Reginald Mant,
Sir Rajendra Nath Mukherji,
Sir Alexander Murray,
Mr. W. E. Preston,
Sir Henry Strakosch,
Sir Purshotamdas Thakurdas, and
Sir Norcot Warren.
Mr. A. V. Aiyar, } *Joint Secretaries.*
Mr. Baxter, }

Towards the end of September, the Secretaries to the Royal Commission addressed a letter to the Association asking for a statement of the Association's views on the subject.

The Committee in their reply stated that the time had arrived for a concerted attempt to be made to solve the currency problem of the country. They further considered that the two main essentials for the permanent solution of the Currency problem were :—

(*a*) the introduction of a true Gold Standard in India, with the value of the rupee fixed at a rate which would correspond with countries where currency had returned to its normal value. With the rupee exchange at the existing rate 100 U.S.A. gold dollars were worth Rs. 272-4 as against Rs. 307-8 in January 1914. From this it would seem that the existing value of the rupee was far too high unless the Government of India were in a position to show that the U.S.A. had a depreciated currency.

(*b*) that the rupee exchange rate should not be liable to large fluctuations.

If the value of the rupee was fixed at 1*s.* 6*d.* gold the Committee believed that in the event of two successive failures of the monsoon it would be found impossible to maintain its parity. The existing rupee-sterling exchange rate had only been possible because India had had four successive good monsoons. For these main reasons the Committee were convinced that it would be inadvisable to stabilise the rupee at a higher value than 1*s.* 4*d.* gold, a rate which it was found possible to maintain for more than twenty years previous to the war.

In connection with the subsidiary problems with which the Currency Commission was confronted, the Committee made the following suggestions:—

(1) that the token value of the rupee in terms of gold should be fixed at a rate not higher than 1*s.* 4*d.* gold ;

(2) that the English sovereign, or an Indian coin of similar weight and fineness should be made legal tender in India ;

(3) that gold certificates should be issued on the basis of Rs. 15 to the sovereign against gold held in reserve in India. The Committee considered that for the first few years after the country had gone over to a true gold standard, it would be necessary to build up an adequate gold reserve, and in order to prevent the possibility of any undue raid on the gold reserve during these years it should not be compulsory to make payment against gold certificates in gold coin. At the same time Government should declare that the ultimate object would be to meet all payments against gold certificates in gold currency ;

(4) subject to the issue of temporary emergency currency no further issues of rupee notes (in contra-distinction to gold certificates) should be made, and no further minting of silver rupees should be made;

(5) it should be the aim of Government to withdraw gradually the notes now issued against silver backing in not more than ten years, and to replace them with gold certificates. At the end of that time it would be necessary to decide the amount against which silver rupees should be accepted as legal tender;

(6) that the sale of Council Bills should be restricted to the actual needs of the Secretary of State for the financial year in which the sales were made;

(7) the control of the note issue should be handed over to the Imperial Bank of India with definite regulations regarding its expansion and contraction. The existing method of control had led to suspicion, unfounded or otherwise, that the Government of India had been guilty of manipulations which might possibly have been to the benefit for Government revenues but had adversely affected the interests of the great mass of the population of this country. By a transference of their powers, under definite rules, to the Imperial Bank, this suspicion would be removed;

(8) that the whole of the remittance operations of the Government of India should be entrusted to the Imperial Bank of India. These transactions were essentially banking transactions, and should be conducted through the usual agency.

The Committee did not in their written evidence wish to dilate upon the suggestions they had made as this was more the function of financial experts, and could hardly be considered as the legitimate function of the Millowners' Association, but they desired to state more fully their views upon the essentials which they submitted were necessary for the satisfactory solution of the Indian currency problem and the reasons why the textile industry of the country must support the demand for a 1*s.* 4*d.* gold.

The Introduction of a True Gold Standard.

The existing currency system was open to objection for the reason that it permitted the value of the rupee to be raised or lowered practically at the will of the Finance Member of the Government of India, and the Committee believed that it was extremely desirable that the system should be changed for this, even if no other reason.

The only recognised international standard of value is gold, and the Committee were unanimously of the opinion that the rupee, which by the very fact that it had a nominal value greater than its intrinsic value, became a

token coin, should possess a constant relation to the only universally recognised measure of value. The only way to achieve this, in the opinion of the Committee, was by the minting of gold coins in India and for the issue of gold certificates against *tenders of gold by the public.*

A necessary corollary to the suggestion made by the Committee would be that " the Indian mints should be thrown open to the unrestricted coinage of gold on terms and conditions such as govern the three Australian branches of the Royal Mint," as recommended by the Fowler Committee.

Fixation of the Value of the Rupee at 1*s.* 4*d. Gold.*

As explained in the preceding paragraphs, the rupee was a token coin. This had been true since the time it ceased to circulate at the value of the silver contained in it. When it ceased so to circulate, a definite face value was given to it equivalent to 1*s.* 4*d.* gold. In other words 15 token rupees became equal in value to £1 gold, and in reality the English sovereign became the standard of value whereby the value of India's products were reckoned.

For more than twenty years, the rupee circulated at this value and during that time contracts began to be made in terms of this token coin. The whole of the land assessments of the country were made upon this basis and practically the whole of the rupee capital in Indian industries was invested in machinery, buildings, etc., upon this basis.

It had been stated in responsible quarters that if the rupee was fixed at 1*s.* 4*d.* gold, it would constitute a hardship to those people who had entered contracts at 1*s.*6*d.* The Committee maintained that this hardship was more or less a figment of the imagination, for, until the end of March this year, when England's currency was restored to its pre-war parity with the dollar, the rupee never had a value equal to 1*s.* 6*d.* gold and as recently as September 1924 had an equivalent gold value of under 1*s.* 4*d.*

The Committee realized that the then Finance Member of the Government of India had more or less advocated a policy which would give a token value to the rupee higher than 1*s.* 4*d.* gold, and had been able to support his policy by two successive prosperity Budgets. Most of his surplus, Sir Basil Blackett had stated, had been due to the high exchange value of the rupee in terms of sterling.

With this view, the Committee entirely disagreed and they maintained that even with the value of the rupee fixed at 1*s.* 4*d.* gold, there would have been equally big surpluses for reasons similar to those given by Mr. B. F. Madon in Chapter XII of Part II of his book on the Indian Exchange Problem.

It might be true that there had been a gain to Government under the matter of home charges, but this gain had been more than counterbalanced by the loss in rupee value of the exports of the country which had correspondingly reduced the amount which this country had been able to spend.

Effect of a 1s. 6*d. rate on the people of India generally.*

As was well known, the very great majority of the people of this country were agriculturists and their prosperity depended upon the prices received for the produce of their lands. As was almost equally well known, the prices which they received depended upon the prices which the rest of the world was willing to pay for the surplus which was exported. These prices were very largely dependent on their international gold value and it necessarily followed that, if the gold value of the rupee were fixed at 1s. 6d. the number of rupees received by the Indian exporter would tend to be less than if the gold value of the rupee were fixed at 1s. 4d.

As internal prices were also largely dependent upon the export prices, it also followed that the total number of rupees received by the agricultural population of India for their produce would be considerably less with the rupee fixed at 1s.6*d.* than if fixed at 1s. 4d. gold.

Coming down to the individual, it would mean that, in spite of a smaller rupee income, he would have to pay the same number of rupees rent, the same number of rupees for land revenues, and the same if not a higher, number of rupees as interest to the *Sowcar.* Thus the balance left over in rupees after paying all those fixed amounts would be reduced and the purchasing power of the general population correspondingly decreased.

Effect upon the Cotton Industry of India.

As explained in the preceding paragraph, with the rupee fixed at 1s. 6d. gold instead of 1s. 4d. the general population of the country would have a smaller balance left over after paying interests, rent and land revenues, and this meant that they would be unable to pay the prices for cloth which they could previously afford. This also meant that not only would the demand for Indian mill-made cloth decrease, but that prices would have to be reduced to meet the decreased purchasing power of the general population.

The decrease in the price of the Indian mill-made cloth would, however, be made doubly certain owing to the fact that the prices at which it was possible to import Japanese and other foreign cloth would be automatically reduced by 12½ per cent. or round about this figure.

To reduce the price of cloth by 12½ per cent. the manufacturer had to reduce every one of his cost items by that percentage. In many cases this was impossible because the prices paid for labour could not easily be reduced and the cost of power, depreciation, interest charges, rates, taxes and insurance would remain the same or would be increased.

The net result of this was that, where the full force of foreign competition existed (Bombay) if the rupee was fixed at 1s. 6d. gold, many mills would eventually be forced into liquidation unless the import duty on cotton piece-goods were increased and even if the import duty were increased, it would not help the textile industry so much as would fixation of 1s. 4d. gold, owing to the decreased demand for cloth caused by the lesser rupee income of the agricultural population.

Apart from the effect which a 1s. 6d. rupee had upon the home trade of the Bombay cotton mill industry, it should also be realised that it would have had an equally severe effect upon the export trade because if the gold value of the rupee was made higher than had previously been the case, it meant that the cost of producing a given quality of yarn or cloth in terms of gold, which was the standard by which world prices were measured, would have been correspondingly increased.

If, therefore, India found it unprofitable to attempt to build up an export trade when the rupee was equivalent to 1s. 4d. gold, it would be impossible to build up such a trade (which was becoming increasingly necessary) without very substantial help from Government if the value of the rupee was fixed at 1s. 6d. It had been stated by the Finance Minister that the increase in the sterling value of the rupee during recent years had been due to natural causes and that there had been no manipulation by Government, but the Committee were inclined to think that this statement could not be borne out in view of the fact that there had been an insufficiently great increase in currency to meet the increased requirements of industry and agriculture caused by the general high level of world prices and the increase in population. As long as the 2*s*. gold to the rupee ratio remained in the Coinage and Currency Acts of the country, the free importation of gold into India would be retarded and there would be a tendency for the sterling value of the rupee to rise until it finally reached the 2*s* point since this 2*s* ratio effectively prevented the importations of sovereigns into India for use as currency inasmuch as according to the Currency and Coinage Acts, a sovereign was equivalent in value to Rs. 10 only.

Had the pre-war ratio of Rs. 15 to the sovereign been retained, gold would have flowed into India owing to the favourable balance of trade and would have been to a very large extent put into circulation as currency and would, moreover, have effectively maintained the value of the rupee at 1s. 4d. (*Appendix* **40**).

REDUCTION OF FIRE INSURANCE RATES FOR COTTON MILLS.

(*See Report for* 1924, *page* 141.)

In the Association's report for 1924, a reference was made to the negotiations started between this Association and the Bombay Fire Insurance Association for bringing about a reduction in the rates of fire insurance premia paid by mills. It is a matter for great satisfaction to the Committee that these negotiations have resulted in reductions in insurance charges and other benefits to the mills.

In the first place the attention of the Fire Insurance Association was drawn to the injustice of the rule regarding silent mills, under which no rebate of premium was claimable unless a mill had been silent for 90 consecutive days. As a result of the discussions referred to above, the rule regarding silent mills has been amended, and rebates of premium are now claimable after a mill has been closed for 15 consecutive days.

As regards fire-proof sprinklered mills in Bombay City and Island and Salsette, a new tariff schedule has been issued by the Fire Insurance Association. In the new tariff net rates are quoted and the 25 per cent. rebate formerly allowed to mills has been deducted in all cases. The rates in the schedule are, however, subject to agency commission. On the whole, the concessions allowed amount to reduction between 20 and 30 per cent. in rates.

Other points worthy of note are mentioned below :—

(1) Short period rates can now be obtained for periods varying between three days and eleven months, and the rates themselves are lower than previously.

(2) The discount given for sprinklers having automatic regulators and self-starting devices has been increased from 50 to 60 per cent.

(3) The net rates for mixing rooms are retained at their old level, and it is regretted that for this type of risk it was not possible to obtain any concession, but after perusing the statement submitted by the F. I. A. showing the actual cost of compensating claims arising out of fires in this department during recent years, it appeared that the rate was not excessive.

(4) Two further important concessions have been obtained although they do not appear in the new tariff schedule. The first relates to definition of fire-proof godowns :—

"In future a godown will be considered fire-proof if it has brick walls and corrugated iron roof covered with tiles which need not be bonded together by cement."

The second concession relates to the application of the schedule. The printed schedule states that the tariff rates therein will only be applicable to mills in Bombay City and Island and Salsette. But it has been arranged that the tariff should be applicable to all other fire-proof-sprinklered mills coming within the territorial jurisdiction of the Bombay Fire Insurance Association with this modification, that the concession for sprinkler installations with automatic regulators and self-starting devices should be 55 per cent. and not 60 per cent. as in the case of mills in Bombay and Salsette. The reason for this is that Bombay has certain advantages in the matter of water-supply, Fire Inspection Staff, Salvage Corps and Fire Brigade which are not generally available in up-country centres.

The new rates have been made applicable from 16th March, 1925.

In regard to non-fire-proof mills, it is regretted it has not been possible to obtain any concessions with the exception of that relating to sprinklers, but from figures submitted privately by the F. I. A. it was demonstrated that the loss ratio over a period of years had been 90 per cent. in the case of this type of risk, without taking into consideration the allowances which the insurance companies have to make for agency commission and expenses. In face of these figures the case for a reduction of premium for non-fire-proof mills appeared to be untenable.

The Bombay Fire Insurance Association next pointed out that the functions of an automatic regulator, for which the extra allowance had been granted were (1) to maintain a higher pressure in the installation than could be procured from an elevated tank, and (2) to come into action at a high pressure and as soon as a sprinkler opened, and therefore the Bombay Fire Insurance Association urged the insertion of the following warranty in the tariff schedule :—

> " That steam for bringing the sprinkler into action at full capacity by means of the automatic regulator be maintained at the pump at all times throughout the year. A minimum water pressure of 70 lbs. should be maintained throughout the installation."

The Committee of this Association were, however, not prepared to allow the insertion of the above warranty. In their opinion, it was for the inspectors of the Fire Insurance Association to see that steam for bringing the sprinkler pump into action at full capacity by means of the automatic regulator at all times throughout the year was maintained. After some further correspondence and discussion it was decided that the proposed warranty be amended as below :—

> " That steam for bringing the sprinkler pump into action at full capacity by means of the automatic regulators be maintained at the pump at all times throughout the year. That the automatic regulator be adjusted to maintain at all times a pressure of 50 lbs. at ground level."
>
> (*Appendix* **41.**)

STANDARD TEST FOR EFFICIENCY OF SPRINKLERS.

Early in 1922, the Bombay Fire Insurance Association notified that certain makes of sprinklers were " Obsolete " and should be replaced by sprinklers of the approved type. This Association took up this matter with the Bombay Fire Insurance Association, and it was eventually agreed that efficiency was to be the sole test of sprinklers installed in a mill whether these sprinklers be of the so-called " Obsolete " type or of the approved type. It was further agreed that in case the Bombay Fire Insurance Association found the sprinklers in any mill which was a member of this Association to be in inefficient order and they deemed it necessary that these sprinklers should be replaced, they should inform this Association of their decision.

In accordance with this arrangement, the Bombay Fire Insurance Association forwarded to this Association in April last a statement giving the results of a test by their Inspector of 12 Sprinkler Heads of the Morris ' B ' type installed at the Rachel Sassoon Mill. The Bombay Fire Insurance Association contended that these sprinklers could not be said to be in efficient working order and ought to be replaced by sprinklers of an approved type. The Rachel Sassoon Mill urged the Committee of the Association to ascertain from the Fire Insurance Association what test an efficient sprinkler should undergo as the Morris ' B ' sprinklers would all come into action in the mills when the pressure in the mains was 60 lbs. The whole question

was subsequently discussed at a joint meeting of the Sub-Committee of the two Associations when it was agreed that the Fire Insurance Association should go fully into the whole question and submit a report to this Association as to what should be the standard test for efficiency of sprinklers.

In September last the Bombay Fire Insurance Association forwarded to the Association reports of tests carried on by them on " Witter " Sprinklers installed at different mills and urged the replacement of these sprinklers on the ground of inefficient working. The Committee reminded the Fire Insurance Association of the agreement made in April and requested them to submit the report regarding efficiency tests of sprinklers. The Committee further stated in their letter to the Fire Insurance Association that some of the mills concerned were unconvinced as to the inefficiency of their sprinklers, and that in the interest of harmonious relations such a position should not be allowed to exist if it could possibly be avoided. In reply the Bombay Fire Insurance Association invited the representatives of the Association to attend a practical demonstration regarding the state of the sprinklers in question. This suggestion has been accepted by the Committee of this Association, and it is expected that it will be possible from the results to lay down a series of tests which should be considered the basis for efficiency. The Technical Sub-Committee of the Association with three Engineers co-opted will attend the demonstrations on behalf of this Association. The mills concerned have been notified not to replace the present sprinklers until the proposed demonstrations take place, and a common understanding is arrived at between the respective Associations, as to what constitutes the standard test of efficiency in the case of sprinklers. (*Appendix* **42.**)

REVISED PACKING INSTRUCTIONS ISSUED BY INDIAN RAILWAYS.

(*See Report for* 1924, *pages* 138 *and* 501.)

The representations made to the Railway Board by this and other Associations protesting against the revised packing instructions issued by Railways resulted in a conference held at Calcutta under the presidency of Mr. C. Ismay of the Bengal-Nagpur Railway. All Chambers of Commerce and other Associations interested in the question were requested to send representatives and this Association was represented at the conference by Mr. J. P. Wadia, Assistant Secretary.

The result of the discussions at Calcutta was that, so far as the mills are concerned, the same packing conditions are to be continued as were in force prior to August, 1924, when the question of revising the packing conditions was first raised by Railways. (*Appendix* **43.**)

RAILWAY TERMINAL FACILITIES IN BOMBAY.

About the middle of July, a letter was received from the Secretary, Railway Board, intimating that Government had decided to have a thorough investigation made into the Railway Terminal facilities at Bombay, and

that Mr. C. W. Lloyd Jones, Agent and Chief Engineer of His Exalted Highness the Nizam's Guaranteed State Railway Company, was appointed to carry on the investigation. The Railway Board recommended all interested in the trade of Bombay to give Mr. Lloyd Jones the benefit of their co-operation.

Subsequently Mr. Lloyd Jones addressed a letter to the Association stating that the matters referred to him for investigation necessitated a consideration of (*a*) goods traffic, (*b*) suburban passenger and (*c*) long-distance passenger. Mr. Lloyd Jones solicited the Association's views only on the last of these three items.

It was pointed out in Mr. Lloyd Jones' letter that it had been decided to dismantle the B. B. & C. I. Railway from Churchgate to Colaba and consequently it had become necessary to provide a new terminal for B. B. & C. I. long-distance trains, to replace the present terminal station at Colaba. Two alternative schemes had been proposed, *viz.*—

(*a*) the construction of a new B. B. & C. I. terminal station at Bellasis Road near Grant Road;

(*b*) the diversion of all B. B. & C. I. long-distance trains at Elphinstone Road, *via* the G. I. P., into Victoria Terminus. It is intended to alter and extend Victoria Terminus in any case.

Mr. Lloyd Jones went on to say that it had been contended that very considerable economies would be effected in both capital and working expenses by the second scheme; on the other hand, it had been suggested that Bellasis Road was a more convenient station for the public than Victoria Terminus and that increased traffic at Victoria Terminus would cause serious congestion to road traffic. When the alterations to Victoria Terminus, which had been sanctioned, were completed all classes of suburban traffic would be dealt with in the present main building. The station would be extended to the east; upper class long-distance passengers will use a new station building to the east of the present building and third class long-distance passengers would use a third class waiting hall to be built in Hornby Road near the existing third class hall and the old Salvation Army building.

Under the first scheme all B. B. & C. I. long-distance trains would start and terminate at Bellasis Road, whereas under the second scheme all B. B. & C. I. long-distance trains would start and terminate at Victoria Terminus, stopping at Byculla *en route.*

The Committee of this Association held that if the population of Bombay went on increasing at the present rate, then the Victoria Terminus station would, even if enlarged, prove inadequate in 20 or 30 years' time to handle long-distance traffic. Moreover, if Victoria Terminus was very much enlarged, it would seriously interfere with the Wadi Bunder Goods Depot which, as it was, was getting congested. For these reasons, the Committee held that it would be inadvisable to divert all B. B. &. C. I. long-distance trains at Elphinstone Road *via* the G. I. P. into the Victoria Terminus, and they therefore favoured the proposal to construct a new B. B. & C. I. terminal station at Bellasis Road in view of the decision to dismantle the B. B. & C. I. Railway from Churchgate to Colaba. (*Appendix* **44.**)

PREPAYMENT OF FREIGHT ON COAL.

Mr. A. L. Ojah, Vice-Chairman of the Indian Mining Federation, Calcutta, in a letter to the Chairman of this Association, drew attention to certain hardships inflicted by the present system of the prepayment of freight on coal. The Committee agreed that the system was objectionable not only from the point of view of producers of coal but also from the point of view of consumers inasmuch as there were sometimes serious shortages, which meant that the mills lost not only the value of the coal, but the amount of freight on it. If freight was payable at destination, consumers could insist on re-weighment and pay freight on actual weight.

Subsequently, the Indian Mining Federation addressed a letter to this Association suggesting that this Association should make a representation to the Railway Board urging a reversion from the present system of the prepayment of freight on coal to the system previously in force under which it was booked "to pay." The Committee decided to defer consideration of the matter pending the publication of the report of the Indian Coal Committee.

The conclusions reached by the Indian Coal Committee on this question are contained in paragraph 68 of their report reading as below :—

> "A reversion from the present system of the prepayment of the freight on coal to the system previously in force under which it was booked "to pay" was urged upon us by several witnesses on the ground that the existing practice bears hardly on the smaller and less wealthy collieries. The point does not appear to us of great importance so far as export and bunker coal are concerned. We would, however, point out that the prepayment system was introduced because of the frequent refusals to take delivery of consignments of coal at destination and the losses incurred by the railways when the coal was sold. We would also mention that coal is not the only commodity on which freight has to be prepaid and that this is also the rule for a large range of products the value of which is small in comparison with their bulk. Further, the stringency of the present arrangements is considerably relaxed by the practice on the East Indian Railway of allowing about 17 days' credit to collieries which are on the weekly bill system. But it is the smaller and less affluent collieries which have not been admitted to that system on which the insistence upon the payment of freight presses most hardly. In these circumstances, we recommend that the position should be reviewed by the railways with special reference to the possibility of reverting to the former system of "freight to pay" or, if this is not considered possible, of continuing the present practice subject to the admission of all collieries alike to the weekly bill system subject to such safeguards as may be considered necessary. One point which we feel called upon to stress is the desirability of uniformity in order to reduce the work of the invoicing clerks."

In view of the above unsatisfactory recommendations of the Indian Coal Committee, the Committee of this Association decided to address the Government of India, Commerce Department, on the subject. It was stated

in the letter that, in the Committee's opinion, there never had been any justification for the introduction of the present system of prepayment of freight, and Mr. Bannerjee in his minute of dissent to the report of the Indian Coal Committee had made out an unanswerable case for its abolition and for the reversion of the system of "to pay freight." It was further pointed out that even from the consumers' point of view the present system of prepayment of freight on coal was objectionable in view of the fact that there were sometimes serious shortages, and the mills lost not only the value of coal, but the amount of freight paid on it. If freight was payable at destination, consignees would be able to insist on reweighment and to pay freight on actual weight only.

The Committee therefore strongly urged that the existing system of prepayment of freight on coal should be abolished, and the previous system of "to pay freight" should be reverted to.

The Commerce Department, in reply, informed the Association that the letter has been forwarded to the Railway Board for disposal. (*Appendix* **45.**)

PROPOSED LICENSED WEIGHERS FOR COAL IN BOMBAY.

Early in February, the Deputy Manager of the Bombay Port Trust addressed the Committee and requested them to express an opinion on the following points in connection with the proposed establishment of licensed weighers of coal in Bombay :—

1. Whether the existing system for weighment of coal was unsatisfactory.
2. Whether the establishment by the Port Trust of a system of weighment would prove satisfactory.
3. What would be the likelihood of continuous employment of such an establishment as entertained by the Port Trust authorities.

In reply to this communication, the Committee stated that as far as the mills were concerned a system of licensed weighers was absolutely unnecessary for the very obvious reason that weighment was for the moment being carried on in the presence of buyers and sellers and that coal was reweighed at the mills. Moreover, no definite advantage might accrue by the employment of licensed weighers.

As regards the second and third questions, the Committee did not desire to express an opinion unless more detailed proposals were placed before them. (*Appendix* **46.**)

LICENSE FOR KEEPING COAL.

Towards the middle of April, the Committee were informed that the Municipal Commissioner had demanded of the Manockji Petit Manufacturing Co., Ltd., a license fee of Rs. 10 for keeping coal near the Bleaching Department attached to the Manockji Petit Mills. Coal is one of the commodities

which cannot be, under the City of Bombay Municipal Act, kept without a license in or upon any premises, for sale or for other than domestic use, but mills and factories are exempted from the above provision. The demand made by the Municipal Commissioner therefore appeared to be unusual.

The Municipal Commissioner was addressed on the subject early in May and it was pointed out that the demand of a license fee from a big factory was, in the Committee's opinion, contrary to the spirit of the Act. It was also submitted that the Act exempted not only spinning and weaving mills from the payment of license-fees, but empowered the Commissioner to likewise exempt all big factories, and suggested that it was not right or proper that bleach-houses and other big factories should be asked to pay license-fees more especially when such factories were parts of large mills even if they were located outside mill compounds.

Although the amount of license fees might be insignificant, on a question of principle the Committee requested an assurance from the Commissioner that the precedent sought to be created in the case of the Bleaching Department of the Manockji Petit Manufacturing Co., Ltd., would not be repeated in the future.

It was understood that the Manockji Petit Manufacturing Co., Ltd., had already paid the fees under protest. The Commissioner was therefore requested to issue orders to refund the amount. The Municipal Commissioner was good enough to comply with the request of the Committee and the bleaching factory concerned was exempted from the provision of the Act. The fee paid by the Manockji Petit Manufacturing Co., Ltd., was also refunded. (*Appendix* **47.**)

THE TELEPHONE COMPANY.

THE TAX FOR THE MESSAGE RATE SYSTEM.

The Bombay Telephone Company addressed a long letter to the Association stating that during the trade boom the demand for telephone connections completely outran the supply, and to meet this demand the old manual system was scrapped and the new automatic system installed at a very considerable cost to the Company. However, owing to bad trade conditions which followed the boom, the bulk of the applications did not materialise and the Company found their position completely reversed, with an efficient system capable of carrying 11,000 lines and only about 60 per cent. of them required. The Directors of the Company came to the conclusion that the position could only be retrieved by so adjusting the charges for the telephone service as to make it available in the only direction of larger expansion, namely the small user, and that the only practical method of making such a decrease of charges possible was to introduce the "message rate system" in place of the present "flat rate system." In other words, the Company desired to base their charges on the number of calls, and they proposed to apply to the Government of India for leave to introduce the following scale of charges already sanctioned for, and put into force in, Calcutta :—

For Exchange Telephone Service.

Installation fee payable at the time of signature of the contract for an Exchange Line to be fitted .. ..Rs. 30.

This charge only to be made in respect of a new installation.

Fixed rental for an Exchange Line .. ..Rs. 12 per mensem.

Call charges .. ..12 calls per Rupee.

Provided that if less than 90 calls are made within any one month the subscriber to be entitled to a refund of Rs. 2 from the fixed rental but to pay for calls at 10 to a rupee.

A discount of 5 per cent. from the charge for calls to be allowed for prompt payment.

A deposit of Rs. 50 as security for the due payment of telephone charges to be made by subscribers in such cases as the Company thinks proper to demand the same.

The Telephone Company desired to know if the Association had any suggestions or comments to make on their proposals. The Association objected to the Telephone Company's proposals which only constituted an attempt to increase the income of the Company by substantially raising the rates paid by business concerns, for which there was no justification. In the opinion of the Committee, the real causes for the present unsatisfactory financial position of the Company were not the system upon which charges were made, but (1) the system of capitalisation and the over-capitalisation of the new Company and (2) the present trade depression. After enlarging on these two points, the Committee went on to say that to stimulate the demands for small users more active propaganda was required. For instance, facilities in the way of monthly payments might be allowed, and slightly reduced charges for residential telephones, or for installations which could be made at small expense to the Company might be made.

About the middle of November, the Secretary to the Government of Bombay, Revenue Department, forwarded to the Association a copy of the Telephone Company's letter to the Government of India, Department of Industries and Labour, in which they applied for leave to introduce the scale of charges referred to above. In reply to Government's request for the Association's views, a copy of the Association's letter to the Telephone Company was forwarded to Government, and they were informed that the Committee had nothing to add to what they had already stated in their letter to the Telephone Company. (*Appendix* **48.**)

HOURS OF DELIVERY OF ORDINARY TELEGRAMS.

Early in June, the Postmaster-General addressed the Association stating that under Rule 393 of the Post and Telegraph Guide, the delivery of ordinary telegrams at places with telegraph offices open all the 24 hours, extended between 6 a.m. and 11 p.m. It was, however, represented that

11 p.m. was too late an hour to send out ordinary telegrams, and it was therefore proposed to close the delivery of such telegrams at 10 p.m. The Postmaster-General desired to know the Association's opinion on the proposed alteration.

The Committee did not think that 11 p.m. was by any means a late hour for the delivery of ordinary telegrams, and in their reply to the Postmaster-General pointed out that the proposed alteration was neither desirable nor necessary and maintained that the existing arrangements should concontinue. (*Appendix* **49.**)

INCOME AND EXPENDITURE OF CLERICAL STAFF.

In the middle of February, the Director of Labour Office addressed a circular letter to leading commercial firms and other employers on the subject of the rates at which different classes of clerks were paid in commercial, Government and public offices in Bombay. It was stated that the Labour Office was engaged at present in the work of tabulating statistics regarding income and expenditure obtained from nearly 2,000 representative middle class families in Bombay. It was proposed to construct a Cost of Living Index for these classes and to make a study of the average earnings of each class of clerical hands earning fixed incomes. With this purpose in view, the Labour Office drew up a form to procure the requisite information, and forwarded it to leading employers with a request to fill in the necessary particulars.

Messrs. The Emperor Edward Spinning and Manufacturing Co., Ltd., requested the Committee to consider whether it was advisable to give the above particulars to the Director of Labour Office. On due consideration, it was felt that there was no objection to the Director of Labour Office being furnished with the information required by him, and Messrs. The Emperor Edward Spinning and Manufacturing Co., Ltd., were informed accordingly. (*Appendix* **50.**)

AUCTION SALES OF COTTON.

The Indian Central Cotton Committee drew this Association's attention to the fact that the Gadag Co-operative Cotton Sale Society had experienced some difficulty at their auction sale, due to an attempt to boycott their auctions organised by local dalals. It was further stated that the Society sold on behalf of its members mainly Dharwar Upland cotton, the bulk of the kapas offered being grown from seed of the improved strain of Upland Cotton (Gadag No. 1) introduced by the Agricultural Department. The auctions attracted substantial buyers in the past and had established a reputation as graded lots of genuine kapas were offered for sale. The Indian Central Cotton Committee requested this Association to accord their support to the Gadag Co-operative Cotton Sale Society, and the contents of their letter were communicated to all members of the Association for their information.

MULE SPINNERS' CANCER.

At the instance of Dr. J. Brown, M.D., D.P.H., of Blackpool, who is also associated with the Factory Department of the Home Office and the Ministry of Health, the Surgeon-General to the Government of Bombay requested the Association to furnish him with certain information relating to the incidence of spinners' cancer in Bombay mills, age and diet of patients, etc.

On enquiries instituted by the Association, it appeared that the disease was not known to be prevailing among the Bombay millhands. This was probably due to the fact that the proportion of mule spindles installed in Bombay was very small and there was no chance of the operatives contracting this occupational disease, since only a very few of them remain on this class of work for any length of time.

The Surgeon-General was informed accordingly. (*Appendix* **51.**)

THE EXPORT CREDITS SCHEME.

In order to facilitate the resumption of the ordinary means whereby traders and others could obtain facilities from their bankers to enable them to finance their export trade, the Government of the United Kingdom have authorised their Export Credits Department, 73, Basinghall St., London, to consider applications for guarantees for business in India, Ceylon, the Straits Settlements and Hongkong where long credits might be necessary in respect of transactions relating to contracts for engineering and similar supplies.

A copy of the scheme is reproduced in full in the appendix, but it should be borne in mind that it is only the exporter in the United Kingdom who can make applications for these credits. (*Appendix* **52.**)

INDIAN SCIENCE CONGRESS.

Early in October, at the instance of the local Committee of the Indian Science Congress, Mr. B. C. Burt, Secretary, Indian Central Cotton Committee, invited the Association to contribute to the fund which was being raised in connection with the 30th Annual Meeting of the above Congress to be held in Bombay early in January, 1926.

The object of the organisation in question was particularly laudable inasmuch as an attempt was to be made at the forthcoming session to emphasise the industrial and economic aspect of scientific work with special reference to cotton.

A sum of Rs. 200 was therefore sanctioned by the Committee and paid out of the Association's funds. (*Appendix* **53.**)

HOLIDAY RETURNS.

Members are aware that in accordance with the rules under the Indian Factories Act, all factories amenable to the Act are required to submit, at the end of each calendar month, a return giving notice of the days on which the factory will be closed during the next ensuing month.

This rule requiring the monthly notification of holidays was amended in February last, and under the amended rule, Local Governments were empowered to dispense with it in case of any class of factories or of the factories in any particular area.

The Collector of Bombay, in drawing the Association's attention to the amended rule, pointed out that it might be possible to exempt the members of the Association from submitting these monthly returns if members would give an undertaking that they would normally observe the holidays as indicated in the holiday list annually published by the Association. The Collector further stipulated that in cases where after giving the undertaking, mills for special reason desired to make a departure from the holiday list, they should inform the Chief Inspector of Factories of the exact nature of the change.

It would obviously be an advantage to members if they could be exempted from the submission of these monthly returns, and they willingly gave the undertaking as required by the Collector. The Collector will inform the Association as soon as he gets the necessary sanction from the Government of Bombay, and till then members will of course have to submit monthly returns as hitherto. (*Appendix* **54.**)

TWELFTH INTERNATIONAL COTTON CONGRESS, VIENNA.

Early in April, the Chairman received an invitation from the International Federation of Master Cotton Spinners' and Manufacturers' Associations, Manchester, to attend the Twelfth Session of the International Cotton Congress in Vienna on the 4th, 5th and 6th June, 1925. In reply, the Chairman expressed his inability to attend the Congress as it was not possible for him to leave India earlier than September, 1925.

THE STRIKE OF MILLHANDS.

The year under review witnessed the longest general strike of millhands on record, brought about by the Association's decision to effect a reduction in the wages of millhands in view of the unprecedented depression through which the industry was passing.

For more than two years of serious trade depression and heavy losses no reduction in wages were made, nor was short time resorted to, but the position every day grew worse and stocks went on increasing. About the end of June a preliminary notice as below was put up at all the mills in Bombay :—

"The Millowners' Association have been seriously considering the serious position of the mill industry. Most of the mills have been losing money and they cannot continue to work their mills in the present state of bad trade and heavy stocks of yarn and cloth that have accumulated. Therefore the Association is compelled to give notice that unless trade improves they will be enforced by circumstances to consider and determine before the end of July the action to be taken in the shape of reduction of wages and/or working short time."

The wages of millhands, as is well known, were based on the list of 1917-18 which had been materially increased since 1913, plus an allowance of 70% for fixed wages and 80% for piece-workers, for dearness of living. The Committee decided to reduce the dear food allowance to 50% and 60% respectively, which, in effect reduced the earnings of the operatives by 11½%. If the mills had worked one day short time per week, the operatives would have lost 16⅔% of their wages. It was therefore clearly to the advantage of the operatives to accept a reduction of only 11½% rather than work one day short per week and thus reduce their earnings by 16⅔%. Moreover, it was calculated that if mills worked one day short, costs would go up by ⅝ths of an anna per lb. which would make it more difficult for mills to sell their goods, and on the other hand would give a further fillip to Japanese competition. After the most mature consideration the Committee, therefore, recommended members to effect reduction in wages of the mill workers on the lines mentioned above and the Committee's proposals were accepted by the general body of members at a meeting held on 27th July, 1925. Two days later the following notice was put up at all mills :—

"That in view of the fact that a preliminary notice was put up by the members of the Millowners' Association at their respective mills, on 22nd June, 1925, pointing out the present serious condition of the mill industry owing to heavy stocks of cloth and yarn, and stating that they would have soon to consider what steps to take, and in view of the fact that the position of the industry has gone worse owing to a further increase in the stocks of both yarn and cloth, the members of the Bombay Millowners' Association in general meeting assembled hereby resolve that all members put up at their respective mills on or about the 29th July, 1925, a notice that the dear-food allowance will be reduced from 70 and 80% to 50 and 60% respectively on the standard list of each mill as from 1st September 1925, thus making a cut of about 11½% on total wages, and at the same time an assurance be given to the mill operatives that if the position of the industry improves and other conditions remain the same, the Millowners' Association will seriously consider the reinstatement of the present cut."

Sometime before the decision regarding reduction in wages was arrived at Mr. Ginwalla, the Secretary of the All-India Trade Union Congress, addressed a letter to the Association requesting that before the Association came to any decision on the question of reduction of wages and/or working short time, they should consult the representatives of the All-India Trade Union Congress, the Central Labour Board, the Kamgar Hithwarthak Sabha, the Girni Mahamandal and the Bombay Textile

Workers' Union. Mr. Ginwalla addressed a letter also to the Private Secretary to His Excellency the Governor, requesting His Excellency to urge the Association to confer with 'the leaders and representatives of labour.' A copy of this letter was forwarded by His Excellency's Private Secretary to this Association with a recommendation that the Association might consult the representatives of labour. In reply, the Private Secretary to His Excellency was informed that so far as the Committee of this Association were aware, the All-India Trade Union Congress and other bodies mentioned by Mr. Ginwalla could hardly be said to represent the labour employed in the cotton mill industry. However, out of deference to the desire expressed by His Excellency, the Committee had decided to confer with the representatives of labour. It was further stated in the letter to the Private Secretary to His Excellency that His Excellency's anxiety to avert a labour crisis was gratefully appreciated and fully shared by the Committee of this Association, who sincerely trusted that the proposed conference with the representatives of labour would achieve the result which they, equally with His Excellency, had so much at heart.

There were accordingly two conferences between the labour representatives and the Committee of the Association, when the Chairman of the Association took great pains to impress upon the labour representatives the extreme gravity of the situation of the mill industry and the necessity of reducing manufacturing costs in the only way possible, *viz.*, reducing the wages of the mill operatives. Although the Chairman clearly explained that the proposed reduction in wages would inflict less hardship on operatives than working short time, the labour representatives did not seem to appreciate the position and recommended a reduction in working hours.

As stated above, on 29th July a notice regarding the reduction in wages from 1st September was put up at all the mills in Bombay. On 15th September, 1925, the workmen employed in about 11 mills struck work, and with lightning rapidity the strike-fever spread in the whole mill area and in about a week's time practically all the mills in Bombay stopped working.

About a week before the actual commencement of the strike, the following manifesto was issued by 37 members of the Legislative Assembly headed by Pandit Motilal Nehru :—

> "We the undersigned members of the Legislative Assembly having regard to the critical situation which has arisen in Bombay by reason of the reduction of the wages of the millhands, and in view of the public demonstrations of protest by thousands of workers in Bombay, urge upon the employers to make immediate arrangements for a conference to bring about a satisfactory settlement. We offer our mediation in order to avert disastrous consequences."

Mr. Chaman Lal, M.L.A., one of the signatories to the manifesto, sent a telegram to the Association as below on 9th September :—

> "Thirty-seven members Assembly including Pundit Nehru request you send representatives Simla immediately discuss situation millhands. See Press Communique."

A special meeting of the Committee was held on 11th September, 1925, to consider the situation, when it was generally felt that there was no special necessity for the Association to send a deputation to Simla. There were several millowners present in Simla at the time, and the Committee decided to authorise these millowners to supply all the requisite information to Pundit Nehru and other signatories to the manifesto. After mature consideration the following telegram was sent to Pundit Nehru, and the millowners named in the telegram were also requested to render every possible assistance to Pundit Nehru and his friends :—

> " Regarding manifesto signed by thirty-seven members Assembly have received telegram from Chamanlal asking to send representatives to Simla regret unable to send representatives at once our Association authorise Munmohandas Ramji Sir Dinshaw Wacha Narottam Morarji Ratanji Tata and Kasturbhai Lalbhai supply you all information required and to assist you if any further information required if you will please wire will gladly supply stop like you we have great sympathy with our workpeople but circumstances have left us no alternative in the interests of workmen themselves as explained our Association has taken the least harmful course five mills totally closed three more contemplating closing about eleven thousand hands out of employment position getting more serious more mills will have to close unless immediate relief somehow be given."

Throughout the strike, the labour representatives failed to exercise in the right direction such influence as they had with the millhands, and instead they fanned the flame of labour discontent by propagating grossly misleading statements among the workmen and in other ways.

During the course of the strike they on more than one occasion waited on H. E. the Governor asking His Excellency to mediate on behalf of the workers. The hollowness of the arguments brought forward by the labour representatives was shown up by the representatives of the Association who were also more than once invited by His Excellency to a conference. The Association's thanks are due to His Excellency for his very fair and impartial attitude throughout the strike and for his ceaseless efforts on behalf of the cotton mill industry of the city. It is worthy of note that at one of the meetings with labour representatives, His Excellency felt constrained to make the following perfectly just remarks :—

> " I noticed that you yourselves spoke strongly against the advisability of a strike before the strike took place. I should have hoped that, representing the factory workers, you would have called public meetings together and urged your views on them, for I cannot help thinking that, had you done so, the workers would have respected your opinions, and it may be that, by your action, a strike would have been averted."

The representatives of the Association made it quite clear to His Excellency the Governor that a restoration of the cut in wages was out of the question but they gave an undertaking that in the event of the suspension of the Excise Duty, the cut would be restored.

At a later stage the Bombay Municipal Corporation appointed a Committee to consider and report as to the best way of putting an end to the strike of the mill-workers after conferring with the representatives of the millowners and mill-workers. The Association was invited to depute a representative to attend a meeting of the Committee and to assist them in their deliberations. The Association's representative on the Municipal Corporation, Mr. H. P. Mody, was also on the Committee appointed by the Corporation, and the Committee of the Association therefore did not deem it necessary to send another representative to the meeting, but informed the Municipal Secretary that Mr. Mody would act as the Association's representative.

Subsequently, the President of the Municipal Corporation wrote to the Association saying that a meeting of the Committee was held on 23rd November, 1925. After hearing the views of Mr. Mody, the representative of the Association, and Mr. Joshi, the Chairman of the Committee of Assistance to Textile Workers, the Municipal Committee came to the conclusion that a useful purpose would be served by a fresh conference between the representatives of the Association and the representatives of the Committee of Assistance to Textile Workers.

The Committee of this Association accepted this suggestion and accordingly a joint conference was held on 28th November between the Committee and the undermentioned representatives of Labour :—

> MR. N. M. JOSHI, M.L.A., MR. S. K. BOLE, MR. R. S. ASAVALE, MR. R. A. GOLE, MR. KANJI DWARKADAS, MR. F. J. GINWALA, MR. S. H. JHABVALA, MR. A. A. ALWE, MR. D. R. MAYEKAR, MR. D. A. BHATWADHKAR, MR. MOHAMED UMAR RAJAB, MR. MOHAMED USUF FENSI, MR. M. G. JABARE and MR. R. S. BAKHALE.

In the absence of the Chairman, Mr. C. N. Wadia, C.I.E., M.L.C., was elected to the chair. After welcoming the labour representatives and setting forth the reasons which necessitated the cut in the wages, Mr. Wadia pointed out that if the present depression lasted during 1926, a further loss of two crores was estimated, while the proposed cut would reduce the loss by about 70 lakhs only. Thus, even with the cut the mills would be shouldering a loss of about 1¼ crores. Mr. Wadia further pointed out that, strictly speaking, it was erroneous to speak of a " cut in wages " in the present case. The fact was that in 1918, a dear food allowance of 70 per cent. for fixed wage-

earners, and 80 per cent. for piece-workers was granted, and this dear food allowance had now been reduced to 50 per cent. and 60 per cent. respectively. This reduced the total earnings of millhands by about 11½ per cent. but, Mr. Wadia contended, a reduction in the special allowance granted for dear living could not strictly be said to be a cut in wages. Mr. Wadia next proceeded to deal with the question of absenteeism, which, according to the Wage Census Report recently issued by the Labour Office, was not less than 11½ per cent. According to mill managers, absenteeism over the year as a whole was nearly 20 per cent. Over and above this casual absenteeism, nearly 40 per cent. of the hands took a holiday every year up to three months. Mr. Wadia pointed out that the reduction in wages could be nullified if the operatives were more regular in attendance. Again, the cost of foodstufts in Bombay was no higher than in Ahmedabad and less than 5 per cent. higher than in Sholapur, yet the wages paid to the mill operatives in Bombay were much higher than the wages paid to operatives in other centres. After pointing out that short-time working would have meant a much greater reduction in the earnings of the operatives, Mr. Wadia pointed out that in addition to increasing the average rates of wages by 130 per cent. since 1914, during the five years of prosperity the millowners distributed to the operatives nearly 2½ crores of rupees by way of bonus. In addition, many of the millowners had put up chawls for their work-people, and let them out at rents far below the economic rent, and over and above this mills paid ten to twelve lakhs per year to the Government Housing Scheme. These facts went to show how wrong it was to accuse millowners of lack of generosity to their work-people. Mr. Wadia concluded his speech by saying that the cut would be restored with the advent of better times.

A discussion followed, but the meeting dispersed without coming to any settlement.

Two days later, the suspension of the Excise Duty was announced, and this led to restoration of the cut made in wages, and consequent resumption of work.

MILL HOLIDAYS AND PAY-DAYS FOR 1926.

The following holidays (which are in accordance with the Indian Factories Act) and pay-days were recommended by the Committee for general adoption by members of the Association during 1926. Members desiring to make any change in the list of holidays or pay-days are requested to intimate the Association of their intention to do so at least 10 days prior to the holiday or pay-day concerned :—

Month.	Date of Holiday	Day of Week.	Festival.	*Suggested Monthly Pay Date.	Day of Week.
January ..	3rd	SUNDAY.		12th ..	Tuesday.
	13th	Wednesday.. ..	*Makar Sankrant.*		
	14th	Thursday	*Solar Eclipse.*		
	24th	SUNDAY.			
	31st	Do.			
February ..	7th	SUNDAY.		10th ..	Wednesday.
	11th	Thursday	*Maha Shivratri.*		
	21st	SUNDAY.			
	28th	Do.			
March	1st	Monday ..	*Holi.*	13th ..	Saturday.
	2nd	Tuesday ..			
	7th	SUNDAY.			
	15th	Monday	*Gudi Padwa.*		
	21st	SUNDAY.			
	28th	Do.			
April	4th	SUNDAY.		10th ..	Saturday.
	11th	Do.			
	21st	Wednesday.. ..	*Ram Navmi.*		
	25th	SUNDAY.			
May	2nd	SUNDAY.		15th ..	Saturday.
	9th	Do.			
	16th	Do.			
	23rd	Do.			
	30th	Do.			
June	6th	SUNDAY.		12th ..	Saturday.
	13th	Do.			
	20th	Do.			
	27th	Do.			
July	4th	SUNDAY.		10th ..	Saturday.
	11th	Do.			
	21st	Wednesday.. ..	*Ashadi Ekadashi.*		
	25th	SUNDAY.			
August	1st	SUNDAY.		12th ..	Thursday.
	8th	Do.			
	13th	Friday	*Nag Panchami.*		
	23rd	Monday	*Narli Purnima.*		
	31st	Tuesday	*Gocul Asthami.*		
September ..	5th	SUNDAY.		10th ..	Frday.
	11th	Saturday	*Ganesh Chaturthi.*		
	15th	Wednesday.. ..	*Gowri Visarjan.*		
	20th	Monday	*Anant Chaturdashi.*		
	26th	SUNDAY.			
October.. ..	6th	Wednesday.. ..	*Sarva Pitra Amvasa.*	15th ..	Frida
	10th	SUNDAY.			
	16th	Saturday	*Dasara.*		
	24th	SUNDAY.			
	31st	Do.			
November ..	5th	Friday ..	*Devali.*	13th ..	Saturday
	6th	Saturday ..			
	7th	SUNDAY ..			
	14th	Do.			
	21st	Do.			
	28th	Do.			
December ..	5th	SUNDAY.		11th ..	Saturday.
	12th	Do.			
	19th	Do.			
	26th	Do.			

* *Note.*—The dates shown in column 5 are recommended by the Committee of the Association as Pay-days for general adoption by members of the Association.

RAW COTTON STOCKS HELD BY BOMBAY MILLS.

In accordance with the usual practice, stocks of raw cotton held by Bombay cotton mills were collected by the Committee and the following summarised statement was subsequently issued :—

Quantity of Raw Cotton in stock on 31st August, 1925.

Cotton actually on hand in Mill Godowns.		Ready Cotton bought but not taken delivery of.		Total.	
Actual number of bales.	Actual weight of bales. (In candies of 784 lbs.)	Actual number of bales.	Actual weight of bales. (In candies of 784 lbs.)	Actual number of bales.	Actual weight of bales. (In candies of 784 lbs.)
1,29,737	65,110	21,279	10,643	1,51,016	75,753

STOCKS OF YARN AND CLOTH HELD BY BOMBAY MILLS IN 1925.

The figures in the following Tables give a very close approximation of the stocks of yarn and cloth held by all the mills of Bombay City and Island from month to month during 1925.

It will be noticed that in yarn the stocks went on increasing till the end of July, and in piece-goods till the end of June, and in these months the figures of total stocks stood at a higher level than at any period during the history of the cotton industry of Bombay. During the latter half of the year there were welcome decreases in the stocks mainly due to the prolonged strike of the millhands. Although at the end of the year the stocks of both yarn and piece-goods were less than what they had been at any time during the year 1924, on the whole the year under review compared very unfavourably with the preceding year as is manifested by the fact that the average monthly stocks of yarn and piece-goods in 1924 were respectively 35,476 and 111,500 bales while in 1925 the monthly average was 44,083 and 140,[illegible] bales respectively.

In the Report for 1924 it was stated that the effect of Japanese competition in both the yarn and cloth markets was keenly felt and it is interesting to note that the fact that Japanese competition was largely responsible for the accumulation of stocks during the year under review has been admitted by the Government of Bombay. In the report on the Seaborne Trade and Customs Administration of the Bombay Presidency for the year 1924-25, it was stated :—

"The home demand for cloth was never very active, and easier rates had to be accepted in order to effect sales. Japanese competition was severe and in certain instances Japanese goods were offered at prices lower than the cost price of similar goods manufactured in India. The result was that at the end of the year there was an accumulation of stocks to the extent of some 150,000 bales, a figure which represents over three months' production."

In addition to the figures of total stocks, members of the Association were supplied with monthly statements showing the average stocks of cloth per 100 looms, and of yarn per 1,000 spindles by means of which mills, to some extent, were able to gauge the strength of their individual positions with reference to the rest of the trade.

CLOTH.

TABLE I.

STOCKS IN BALES.

From Mills submitting Returns.				*Approximation of stocks for all Mills in Bombay City and Island.*		
Date of Return.	No. of looms represented.	Sold but delivery not taken.	Unsold.	Total uncleared.	Sold but delivery not taken.	Unsold.	Total uncleared.
January 31st	63,385	37,466	76,040	113,486	42,000	85,000	127,000
February 28th	60,059	38,433	76,403	114,836	45,000	90,000	135,000
March 31st	66,452	42,081	98,147	140,228	45,000	105,000	150,000
April 30th	66,066	40,173	99,324	139,497	43,000	107,000	150,000
May 31st	67,486	44,803	108,125	152,928	47,000	114,000	161,000
June 30th	70,215	44,360	128,923	172,283	55,000	131,000	176,000
July 31st..	67,886	55,916	120,600	156,516	59,000	126,000	185,000
August 31st	67,155	55,337	110,933	166,270	59,000	117,000	176,000
September 30th	66,505	52,479	96,655	149,133	56,000	103,000	159,000
October 31st	67,963	40,833	65,711	106,533	43,000	69,000	112,000
November 30th	68,206	28,445	51,604	80,849	30,300	54,000	84,000
December 31st	67,951	21,121	50,838	71,959	22,000	53,000	75,000

YARN.

TABLE II.

STOCKS IN BALES.

From Mills submitting Returns.				*Approximation of stocks for all Mills in Bombay City and Island.*			
Date of Return.	No. of Spindles represented.	Sold but delivery not taken.	Unsold.	Total uncleared.	Sold but delivery not taken.	Unsold.	Total uncleared.
January 31st	2,932,083	10,882	24,027	34,909	13,000	28,000	41,000
February 28th	2,665,933	12,831	23,567	36,398	16,000	30,000	46,000
March 31st	3,236,125	22,010	24,443	46,453	23,000	26,000	49,000
April 30th..	3,126,415	17,980	30,078	48,058	20,000	33,000	53,000
May 31st	3,177,023	14,520	37,855	52,335	16,000	40,000	56,000
June 30th	3,368,155	13,116	44,365	57,481	13,000	45,000	58,0000
July 31st	3,251,945	19,015	33,410	53,574	20,000	36,000	56,000
August 31st	3,149,473	13,112	34,559	46,522	14,000	36,000	50,000
September 30th	3,216,417	13,418	29,949	43,367	14,000	32,000	46,000
October 31st	3,194,319	7,671	21,782	29,453	8,000	23,000	31,000
November 30th	3,206,333	5,110	15,267	20,377	5,000	16,000	21,000
December 31st	3,215,461	7,059	13,666	20,725	8,000	14,000	22,000

RESULTS OF THE WORKING OF THE COTTON MILLS OF BOMBAY IN 1924.

It was stated in the Association's Report for 1924 that it was decided to prepare an Annual Statement showing the results of the working of the cotton mills of Bombay. A statement prepared accordingly by the Association and audited by Messrs. A. F. Ferguson & Co., is in the Press and will be forwarded to all members in due course. 79 mills out of 82 submitted returns, and after making the necessary provision for depreciation, Messrs. Ferguson & Co. estimated that the total loss made by Bombay mills in 1924 was Rs. 2,27,15,893.

DONATIONS.

The following Donations were sanctioned and paid out of the Association's funds during the year under review:—

	Rs.
The Victoria Jubilee Technical Institute	2,000
The Sydenham College of Commerce and Economics ..	1,000
The Police Comforts Fund	1,000
The Sir J. J. Hospital Nursing Association Fund	750
The Goculdas Tejpal Nursing Association Fund	250
The Bombay Textile and Engineering Association	500
The Adams Wylie Memorial Hospital..	250
The Society for the Promotion of Education among the Masses	250

BOMBAY MILLOWNERS' ASSOCIATION.

Balance Sheet as at 31st December, 1925.

LIABILITIES		Rs. a. p.	Rs. a. p.
Sundry Creditors—			
For Auditors' Fees, Printing, Stationery, Electric Light and Fans, etc., unpaid		....	683 12 6
Cotton Excise Duty Propaganda Work A/c—			
Contributions received from Cotton Weaving Mills, members and non-members, up to 31st December, 1925.		23,800 0 0	
Less—Expenses incurred up to 31st December, 1925 ..		16,453 0 5	7,346 15 7
Association's Accumulated Fund—			
Balance on 31st December, 1924—	Rs. a. p.		
General Fund	1,16,515 1 9		
Travelling Agency Fund	6,031 1 4	1,22,546 3 1	
Add—Interest on Government Paper of Travelling Agency Fund		105 0 0	
Add—Excess of Income over Expenditure		14,942 7 3	
	Rs. a. p.		
General Fund	1,31,457 9 0		
Travelling Agency Fund	6,136 1 4	....	1,37,593 10 4
Total Rs. ..		....	1,45,624 6 5

ASSETS.		Rs. a. p.	Rs. a. p.
Interest accrued on Association's Investment of General Fund and Travelling Agency Fund up to 31st December, 1925, but not received		....	1,356 4 0
Advance payments made on account of Books and Periodicals, Telephone and other Sundry items		288 15 0	
Advance payment to staff		100 0 0	388 15 0
Association's Investments—			
Government 3½ per cent. Promissory Notes for Rs. 92,000, at cost		67,670 10 0	
Do. 5½ per cent. Indian War Loan, War Bonds, 1928, for Rs. 30,000 at cost		30,000 0 0	
Do. 6 per cent. Indian War Loan, War Bonds, 1930, for Rs. 15,000 at cost		15,000 0 0	
Do. 6 per cent. Indian War Loan, War Bonds, 1932, for Rs. 5,500 at cost		5,500 0 0	
Do. 6 per cent. Indian War Loan, War Bonds, 1926, for Rs. 25,000 at cost		25,109 6 0	1,43,280 0 0
Cash—	Rs. a. p.		
Cash in the Imperial Bank of India, General Account	50 12 6		
Cash in the Imperial Bank of India, Secretary's Account	390 0 2	440 12 8	
Cash in hand		158 6 9	599 3 5
Total Rs. ..		....	1,45,624 6 5

Examined and found correct.

A. F. FERGUSON & Co.,

Chartered Accountants,

Bombay, *28th January*, 1926. Auditors.

T. MALONEY,

Secretary.

BOMBAY MILLOWNERS' ASSOCIATION.

Income and Expenditure Account for the Year ended 31st December, 1925.

EXPENDITURE.	Rs. a. p.	Rs. a. p.
To Establishment	32,100 9 10	
Conveyance allowance to Secretary	700 0 0	
Passage paid to the Secretary	2,267 15 9	
Contribution to the Bombay Chamber of Commerce for Statistical work done up to 31st December, 1925	1,940 0 0	
Preparation of Statistics for the Bombay Cotton Mill Industry for years 1923 and 1924..	2,127 8 0	
Office Rent	4,500 0 0	
Printing Statistical Returns, Mill Statement, Annual Report for 1924, etc.	10,064 9 0	
Stationery	1,918 13 0	
Advertisements	420 12 0	
Books and Periodicals	641 9 10	
Auditors' Fees	200 0 0	
Furniture and Fittings	593 10 11	
Telephone	370 0 0	
Electric Light and Fan	395 6 0	
Law Charges	2,736 6 8	
Petty charges, sundry expenses including Postage and Telegrams	2,743 4 0	
Association's contribution to Provident Fund and interest	2,817 13 5	
	66,538 6 5	
ASSOCIATION'S CONTRIBUTIONS FOR THE YEAR TO—		
Rs. a. p.		
The Victoria Jubilee Technical Institute 2,000 0 0		
The Sydenham College of Commerce and Economics 1,000 0 0		
The Police Comforts Fund 1,000 0 0		
The Sir J. J. Hospital Nursing Association Fund 750 0 0		
The Goculdas Tejpal Nursing Association Fund 250 0 0		
The Adams-Wylie Memorial Hospital Fund 250 0 0		
The Bombay Textile and Engineering Association 500 0 0		
The Society for the Promotion of Education among the Masses 250 0 0		
The Indian Science Congress 200 0 0		
	6,200 0 0	
		72,738 6 5
Balance being excess of Income over Expenditure transferred to Association's Balance Sheet ..	....	14,942 7 3
Total Rs. ..	....	87,680 13 8

INCOME.	Rs. a. p.	Rs. a. p.
By Subscriptions for the year ending 31st December, 1925 ..	78,461 8 0	
Miscellaneous Receipts	780 0 6	
Interest on Investments of General Fund	8,007 10 2	
Refund of Income-tax paid on Securities for 1923 & 1924.	111 6 0	
Profit on Sale of Government Securities	320 5 0	
		87,680 13 8
Total Rs. ..	....	87,680 13 8

Examined and found correct.

A. F. FERGUSON & Co.,

Chartered Accountants,

BOMBAY, *28th January*, 1926. AUDITORS.

T. MALONEY,

Secretary.

BOMBAY MILLOWNERS' ASSOCIATION PROVIDENT FUND.

Statement of Funds as at 31st December, 1925.

RECEIPTS.	Rs. a. p.	Rs. a. p.	EXPENDITURE.	Rs. a. p.	Rs. a. p.
By Amount of Funds, as at 1st January, 1925	....	6,603 1 0	To Expenses incurred during the year	....	5 1 0
			Balance as under—		
			Investments.		
Subscriptions paid by the members of the staff during the year	....	2,731 10 8	Government 5 per cent. Tax Free War Bonds, 1933, for Rs. 5,000 at cost	4,892 8 0	
Association's Contributions	....	2,731 10 8	Government 3½ per cent. Promissory Notes of 1900-01 and 1954-55 for Rs. 2,200 at cost	1,482 4 0	
Interest (including interest accrued to date Rs. 180-2-8)	....	423 1 5	Government 5 per cent. Tax Payable Bonds, 1935, for Rs. 4,000 at cost	3,850 0 0	
				10,224 12 0	
			Interest Accrued and due on the above Securities ..	180 2 8	
			Cash with the Imperial Bank of India on current a/c ..	2,079 8 1	12,484 6 9
TOTAL Rs. ..	....	12,489 7 9	TOTAL Rs. ..	....	12,489 7 9

Examined and found correct.

A. F. FERGUSON & Co.,

Chartered Accountants,

BOMBAY, 28*th January*, 1926. AUDITORS.

T. MALONEY,

Secretary.

Report for the year 1925.

Section III.

CORRESPONDENCE.

APPENDICES **1—54**

APPENDIX 1.

THE MILLOWNERS' MUTUAL INSURANCE ASSOCIATION, LTD.

No. 961/G. of 1925.

THE MILLOWNERS' MUTUAL INSURANCE ASSOCIATION, LTD.,
BOMBAY, 15*th May*, 1925.

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

As you are no doubt aware, this Association is closely affiliated to your Association, having been formed at the time of the introduction of the Indian Workmen's Compensation Act with the idea of relieving your members of their liability under the said Act on more favourable terms than if they insured with any other insurance company.

That the " Mutual " has justified its existence is, we consider, conclusively proved by the results obtained up to date. In the first place, until the " Mutual " became established, the rate decided upon by the Tariff InsuranceCompaniesfor Cotton Mill Risks was Re. 0-8-0 per cent. On the recommendation of our Insurance Adviser, it was decided that the rate to be charged by the " Mutual " was to be half the Tariff rate, that is, Re. 0-4-0 per cent., and immediately this decision had been arrived at, the Tariff Companies endeavoured to frustrate the " Mutual " by reducing their rate to the same figure. It must, however, be remembered that, had it not been for the " Mutual," the original rate of Re. 0-8-0 per cent. would in all probability not have been reduced.

Out of your total membership of 95, 56 mills have insured with the " Mutual"—the total premium income being about Rs. 1,15,000. From the 1st July, 1924, up to April 30th, 1925, there have been about 1,100 accidents notified and the large majority of claims made have been settled promptly for the amounts claimed, there having been only 15 claims refused on the grounds either of the injury having been caused through grave disobedience or of the claims being exaggerated. Both the preliminary and working expenses have been kept very low, and if the amount to be paid in claims during the next two months is proportionate to that paid out during the past ten months, it will be possible to carry forward a credit balance of about Rs. 60,000 or about 50 per cent. of the first year's income. Under our Articles of Association, it is stipulated that no bonus to members can be distributed until after the Association has been in existence for three years, and it will be seen that, if results continue as satisfactory as at present, members will receive a substantial bonus at the end of this period.

Another most important result of the formation of the " Mutual " has been the drastic lowering of rates for Fire Insurance by the Tariff Insurance Companies, which was brought about by the " Mutual " having discussed the possibility of extending its activities to Fire Insurance business.

It is hoped that the information given will clearly show the advisability of insuring with the " Mutual," and my Directors will be grateful if you and your Committee will do all in your power to increase the membership of this Association by endeavouring to persuade those of your members who have not yet insured with the " Mutual " to do so as from the 1st July next.

For your information a *list is enclosed of those members who have not insured with this Association.—Yours, etc.,

B. K. MANTRI,
Secretary.

* Not printed.

No. 670/40 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *20th May*, 1925.

TO ALL MEMBERS OF THE
BOMBAY MILLOWNERS' ASSOCIATION.

DEAR SIRS,

I am directed to forward you herewith a copy of the letter received from the Secretary, Millowners' Mutual Insurance Association, Ltd., detailing the results of the working of that Association during the ten months of its existence.

2. The facts and figures mentioned in the letter bear eloquent testimony to the excellent service rendered to the mill industry by the Mutual Insurance Association, and it is very gratifying to the Committee of this Association that their exertions in launching the "Mutual" into existence have been thoroughly justified by the results achieved so far.

3. It will be observed that as a result of the establishment of the "Mutual" the Tariff Companies were constrained to make a substantial reduction in their rates, and therefore members who have not joined the "Mutual" will recognise that they are under a debt of obligation to the "Mutual" for, had it not been for the "Mutual," they would have been called upon to pay much higher premia by the Insurance Companies.

4. It is the considered opinion of the Committee of this Association that an organisation like the Millowners' Mutual Insurance Association, Ltd., deserves the whole-hearted support of all members of this Association not only in the interests of their individual concerns but in the interests of the industry as a whole.

5. The Committee of this Association are confident that a perusal of the enclosed letter will convince the members of the great advantages of joining the "Mutual" and they earnestly trust that those members who have not yet joined the "Mutual" will now recognise the advisability of doing so.—Yours, etc..

J. P. WADIA,
Acting Secretary.

APPENDIX 2.

THE INDIAN FACTORIES ACT (AMENDMENT) BILL.

No. 741-13600-D.

GENERAL DEPARTMENT,
BOMBAY, *10th October*, 1925

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT :—*Indian Factories Act—Amendment of.*

SIR,

I am directed by the Governor in Council to forward herewith a copy of this Government Resolution No. 741, dated the 10th October, 1925, on the subject noted above, and to request that you will be so good as to favour Government with the views of your Association not later than the 20th November, 1925, on the provisions of the Bill accompanying it.—I have, etc.,

R. F. GORVALA,
for *Under-Secretary to the Government of Bombay,*
General Department.

Resolution No. 741.

GOVERNMENT OF BOMBAY,
GENERAL DEPARTMENT,
BOMBAY, 10*th October*, 1925.

Factories.—Amendment of the Indian Factories Act.

Letter from the Government of India, Department of Education, Health and Lands, No. F.-125-I/25-A.C., dated the 25th September, 1925 :—

A Bill further to amend the Indian Factories Act, 1911, with Statement of Objects and Reasons.

" With reference to the Debates of the Legislative Assembly of 17th September, 1925, I am directed to forward herewith 40 copies of the papers noted on the margin and to request that the Governor in Council willfavour the Government of India in this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the High Courtand of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

" 2. I am also to request that the Bill and Statement may be published in the *Bombay Government Gazette* in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

" 3. The reply to this letter should be sent in by the 15th December, 1925. "

RESOLUTION.—Copies of the letter from the Government of India and accompaniment should be forwarded to the Millowners' Association, Bombay and Ahmedabad, etc., and they should be requested to favour Government with their opinions on the provisions of the Bill and to send their replies not later than the 20th November, 1925.—By order of, etc.,

A. H. DRACUP,
Under-Secretary to Government.

A Bill to further to amend the Indian Factories Act, 1911.

WHEREAS it is expedient further to amend the Indian Factories Act, 1911, for the purposes hereinafter appearing ; It is hereby enacted as follows :— XII of 1911.

Short title and commencement.

1. (1) This Act may be called the Indian Factories (Amendment) Act, 192 .

(2) It shall come into force on such date as the Governor-General in Council may, by notification in the *Gazette of India*, appoint.

Amendment of Section 2, Act XII of 1911.

2. In Section 2 of the Indian Factories Act,1911 (hereinafter referred to as the said Act— XII of 1911.

(*a*) after clause (*b*) of sub-section (2), the following shall be inserted, namely :—

" or

(*e*) in any other prescribed kind of work ";

(*b*) to sub-section (3) the following clause shall be added, namely :—

" (*c*) any premises wherein, or within the precincts of which, on any one day in the year not less than ten persons are simultaneously employed, and any such power is used, which have been declared by the Local Government, by notification in the local official *Gazette*, to be a factory ;

A declaration under clause (*c*) may be made in respect of any class of premises, or in respect of any particular premises.

(*c*) in sub-section (5), after the word "manufacturing" the words "or other prescribed" shall be inserted.

Amendment of Section 3, Act XII of 1911.

3. In Section 3 of the said Act, for the figures " 1901 " the figures " 1923 " shall be substituted.

Amendment of Section 7, Act XII of 1911.

4. In sub-section (1) of Section 7 of the said Act—

(*a*) after the words " such person and " the words " if he is fit for employment in a factory " shall be inserted ;

(*b*) for the word "whether " the word " that " shall be substituted ;

(*c*) before the word " employment " where it last occurs in the sub-section, the word " such " shall be inserted ; and

(*d*) the last three words of the sub-section shall be omitted.

Insertion of new Section 9A in Act XII of 1911.

5. After Section 9 of the said Act the following section shall be inserted, namely :—

Temperature.

" 9A. (1) In every factory a reasonable temperature shall be maintained

" (2) In the case of any factory in which, in the opinion of the inspector, a reasonable temperature is not maintained, the inspector may serve on the manager of the factory an order in writing, specifying the measures which he considers necessary to maintain a reasonable temperature, and requiring him to carry them out before a specified date."

Amendment of Section 10, Act XII of 1911.

6. In Section 10 of the said Act, after the word " provided," the words " before a specified date and " shall be inserted, and the last four words of the section shall be omitted.

Amendment of Section 19, Act XII of 1911.

7. In Section 19 of the said Act, after the word " No " the words " person in any area notified by the Local Government in this behalf in the local official *Gazette* and in any other area no " shall be inserted.

Amendment of Section 21, Act XII of 1911.

8. In sub-section (1) of Section 21 of the said Act,—

(*a*) for sub-clause (*ii*) of clause (*a*) the following sub-clause shall be substituted, namely :—

" (*ii*) at the request of the employees concerned, periods of rest, at intervals not exceeding five hours, of not less than half an hour each, the total duration of the periods of rest on that day not being less than one hour for each period of six hours' work done ";

(*b*) to clause (*a*) the following proviso shall be added, namely :—

" Provided that, in lieu of the periods provided under sub-clause (*i*) or sub-clause (*ii*) there may be fixed for each male person employed for not more than eight and a half hours on each working day, at the request of the employees concerned and with the previous sanction of the Local Government, a period of rest of not less than half an hour, so arranged that no such person shall work for more than five hours continuously, and "

Amendment of Section 25, Act XII of 1911.

9. In Section 25 of the said Act, the words "woman or" shall be omitted.

Amendment of Section 30, Act XII of 1911.

10. In sub-section (1) of Section 30 of the said Act—

(*a*) in clause (*e*) after the word " except " the number and brackets " (*i*) " shall be inserted, and after the words " seasons or " the number and brackets " (*ii*)" shall be inserted ;

(*b*) after the words " as it may impose " the words " and in such area as may be specified in the notification " shall be inserted ;

(*c*) in the phrase beginning " in case (*a*) " after the word " sections " the figures " 21 " shall be inserted ;

(*d*) in the phrase beginning " in case (*b*) " after the word " sections " the figures "21" and after the figures " 22 " the figures " 26 " shall be inserted ;

(*e*) in the phrase beginning " in case (*c*) for " the word and figures " and 22 " the word and figures " 22 and 28 " shall be substituted ;

(*f*) after the phrase beginning " in cases (*d*) and (*e*) " the following phrase shall be added, namely :—

" in case (*e*) (*ii*) such class of factories from the provisions of Section 26."

Amendment of Section 31, Act XII of 1911.

11. In Section 31 of the said Act, after the figure "(1)" the word and figure " or sub-section (2)" shall be inserted.

Insertion of new Sections 31A and 31B in Act XII of 1911.

12. After Section 31 of the said Act the following sections shall be inserted, namely :—

Employment in engine room or boiler house.

" 31A. The Local Government may, subject to the control of the Governor-General in Council, by notification in the local official *Gazette*, exempt on such conditions, if any, as it may impose any factory from the provisions of Section 22 in respect of persons employed in the engine room or boiler house of such factory.

Night employment of women.

31B. The Local Government may, subject to the control of the Governor-General in Council, by notification in the local official *Gazette*, exempt on such conditions, if any, as it may impose any factory from the provisions of clause (*a*) of Section 24 in respect of women employed on any work in connection with raw material or on any process in connection with any material in which the material is during the process subject to rapid deterioration, where the employment of such women, outside the limits provided by clause (*a*) of Section 24, is necessary to prevent any damage to or deterioration of the material."

Amendment of Section 33, Act XII of 1911.

13. In sub-section (3) of Section 33 of the said Act, for the words "the occupier shall himself " the words " or during which the person designated does not manage the factory, any person found acting as manager of the factory or, if no such person is found, the occupier himself shall " shall be inserted.

Amendment of Section 34, Act XII of 1911.

14. In Section 34 of the said Act, after the word "factory," where it occurs for the first time, the words " due to any cause which the Local Government may, by notification in the local official *Gazette*, specify, or " shall be inserted.

Amendment of Section 35, Act XII of 1911.

15. To Section 35 of the said Act the following provisos shall be added, namely :—

" Provided that, where it is proved to the satisfaction of the Local Government that no person can be employed in a factory in contravention of the provisions of Chapter IV, the Local Government may, by notification in the local official *Gazette*, exempt on such conditions, if any, as it may impose such factory from the provisions of this section in respect of persons other than children employed in such factory :

Provided, further, that where in the opinion of the inspector a muster-roll or register kept in a factory gives the particulars required in the prescribed form, he may, by order in writing, direct that such muster-roll or register shall be kept in place of the register in the prescribed form, and such muster-roll or register shall thereupon, for all or any of the purposes of this Act, be deemed to be the register kept in the prescribed form."

Amendment of Section 36, Act XII of 1911.

16. For sub-section (3) of Section 36 of the said Act the following sub-section shall be substituted, namely :—

" (3) The said notice shall be correctly maintained and kept up to date : any change in the standing orders of the factory shall be entered therein by the manager before such change comes into force ; when any such change is entered in the notice, a copy of the notice or of the order in which the change is made shall be sent in duplicate by the manager to the inspector within twenty-four hours."

Amendment of Section 41, Act XII of 1911.

17. In clause (*g*) of Section 41 of the said Act, after the word " under " the word, figure and letter " Section 9A " shall be inserted.

Insertion of new Section 44A in Act XII of 1911.

18. After Section 44 of the said Act the following section shall be inserted, namely :—

Employment of children in two factories on the same day.

" 44A. Where a child is employed in any factory and such child has already been employed on the same day in any other factory, the parent or guardian or person having legal custody of or control over or direct benefit from the wages of the child shall be punished with fine, which may extend to twenty rupees, unless it appears to the Court that the offence was committed without the consent, connivance or wilful default of the parent, guardian, or such person as aforesaid."

Amendment of Section 46, Act XII of 1911.

19. In Section 46 of the said Act, for the words " process or work incidental to any manufacturing " the words " or other prescribed process or work incidental to any such " shall be substituted.

Insertion of new Section 48A in Act XII of 1911.

20. After Section 48 of the said Act the following section shall be inserted, namely :—

Power to conduct prosecution

" 48A. An inspector may conduct the prosecution in any case relating to an offence, of which he has charge, against this Act or any rule or order thereunder, before any Court in which such case is under inquiry, trial or appeal, and shall have the like power of withdrawing from the prosecution as is provided by Section 494 of the Code of Criminal Procedure, 1898, and the provisions of that section shall apply to any withdrawal by an inspector."

V of 1898.

Amendment of Section 49, Act XII of 1911.

21. In Section 49 of the said Act, after the word " thereunder " the words and figures " other than an offence against Section 33 " shall be inserted.

Amendment of Section 50, Act XII of 1911.

22. In sub-section (1) of Section 50 of the said Act, after the word " under " the word, figure and letter " Section 9A " shall be insreted.

STATEMENT OF OBJECTS AND REASONS.

The Indian Factories Act, 1911 (XII of 1911), was radically revised by Act II of 1922, which introduced a series of important reforms including the adoption of a sixty hours' week, the raising of the minimum age of children from 9 to 12, the prohibition of night work for women, the extension of the Act to a large number of small factories, drastic restriction of the exempting provisions, etc. The experience of the last three years indicates that the amended Act has worked smoothly on the whole, and the main principles followed in 1922 command general acceptance. The Government of India do not propose to modify any of the main principles of the Act.

2. But administrative difficulties have arisen in connection with some sections of the Act; one such difficulty relates to Section 21 which provides for intervals of rest. In practice it has proved difficult to enforce the provisions of this section in some industries. Local Governments were asked in June 1923 to consider a possible solution of the difficulty and to bring to the notice of the Government of India any difficulties which might have arisen in connection with other provisions. On receipt of their replies, a Conference of Chief Inspectors of Factories was convened; this met in Simla, in August 1924, and was attended by the officers at the head of the inspection staff in every province but one. The Act was examined in detail in the light of the criticisms received, and the Conference recommended a number of alterations designed by allowing greater elasticity in some directions and by increasing control in others, to make for smoother working. The amendments proposed in the Bill are based on the recommendations of that Conference and on the opinions received from Local Governments. They are explained in the detailed Notes on Clauses below.

Notes on Clauses.

Clause 2.—There are a number of establishments such as electrical generating stations, water-works, etc., which, while they are essentially factories in the ordinarily accepted sense of the term and require regulation as much as other factories, do not appear to fall strictly within the definition in Section 2 (3) of the Factories Act. The amendment proposed is designed to ensure the application of the Act to such factories. The amendment proposed in clause 19 is consequential.

Clause 3.—The amendment is consequential on the repeal of Act VIII of 1901 by Act IV of 1923.

Clause 4.—Sub-section (1) of Section 7 directs the certifying surgeon to give to an unfit child a certificate that he is unfit; such certificates are said to have been given and used for the purpose of employment. The amendments preclude the certifying surgeon from giving a certificate to a child who is found to be unfit for employment.

Clause 5.—The existing Act makes no provision for the prevention of excessive temperatures within a factory. The new section is designed to remedy this defect. The amendments proposed in clauses 17 and 22 are consequential.

Clause 6.—The amendment is of a formal character and is designed to make it clear that, where a manager of a factory has been required to provide a fan, the fan must be maintained in use.

Clause 7.—Under the existing law, women and children are prohibited from cleaning machinery in motion. But a large number of accidents to men have occurred from the cleaning of machinery in motion. It is therefore proposed to give Local Governments power to prevent this practice, where they are satisfied that it is attended with danger to the operatives.

Clause 8.—Two difficulties have arisen in connection with Section 21 (1) (*a*) of the Factories Act, 1911. The sub-section was designed to secure for employées a daily interval of one hour or, if they so prefer, two intervals of half an hour each, so arranged that no operative is required to work for more than five hours continuously. It is doubtful whether the

section carries out the intention of the Legislature as regards the second alternative; clause (*ii*) may be interpreted as requiring that both the half-hour intervals, if this system is chosen, should be given before the seventh hour of work commences. The first amendment proposed is designed to carry out the original intention of the Legislature.

But the Government of India propose at the same time to make a more substantial amendment. As soon as Section 21 came into effect, difficulty was experienced in enforcing it in factories which were working for appreciably shorter hours than the maximum permitted by the Act, and more particularly in engineering works. The operatives, who under the old Act had been given an interval of only half an hour, found that the new Act resulted in a diminution of the hours which they were able to spend at their homes. And where, as in many cases, their homes were situated at a considerable distance from their work, their dislike of the new provision was correspondingly increased. The Government of India referred the whole question for detailed consideration to Local Governments and the replies showed a general consensus of opinion in favour of an amendment of the section. The proposal now put forward is based on the recommendation of the Factory Inspectors' Conference. If it is passed into law, it will be possible for Local Governments to permit the reduction of intervals to one interval of half an hour daily in the case of male operatives working for not more than 8½ hours a day, provided that the operatives themselves desire this arrangement. The Government of India are satisfied that the proposal will not be detrimental to the operatives concerned, and they hope that it may have the effect of reducing the hours of work in some factories.

Clause 9.—The existing Act prohibits the employment of women and children in more than one factory on the same day. It has been brought to the notice of the Government of India that in certain cases this provision operates to prevent women from securing adequate employment. In some factories which work for only a few hours each day, it was formerly the custom for women to do a few hours' work in one factory and then to proceed to a neighbouring factory to complete their day. Provided that the weekly and daily limits placed by the Act on hours of work are not exceeded, there is no reason why this practice should be prevented; and where, as in the case of the factories in question, the hours of opening and closing of the factories are simultaneous, there is no risk of abuse in a relaxation of the existing provision. The relaxation will only be effective when the sanction of the Local Government has been obtained, and it is contemplated that this sanction will only be given to the employment of women within specified hours, so arranged that it is not possible for a woman to work outside the limits provided by Sections 24 and 27.

Clause 10.—A number of minor modifications are proposed in Section 30 of Act XII of 1911. As the section at present stands it is not possible for Local Governments granting exemption to limit the exemption to particular areas and, if an exemption proves necessary in a particular part of the province, they are compelled to grant an exemption applicable throughout the province. Amendment (*b*) is designed to remedy this effect.

In the case of persons engaged in preparatory or complementary work, it is frequently necessary that the provision relating to intervals should be abrogated and, where work is essentially intermittent, the workers, although they enjoy as a rule long intervals of rest, cannot always be given them at specified hours. It is proposed therefore in amendments (*c*) and (*d*) to give the Local Government power to grant exemptions from Section 21 of the Factories Act.

A number of factories in which continuous production is necessary for technical reasons work upon a shift system and, with such a system, it is not always possible to secure that on no day of the week shall the hours of work exceed eleven. It is proposed therefore in amendment (*e*) to give the Local Government power to grant exemption from Section 28 of the Factories Act.

No exemptions are at present possible from Section 26 of the Factories Act, which requires the manager to fix beforehand specified hours for the employment of each person employed. But it is not possible in a number of cases for the manager of a factory to comply with this provision. Where work depends on the irregular action of natural forces, it is ob-

viously impossible for the manager to predict beforehand the hours at which the operatives will commence work. Much the same difficulty arises in the case of work which is essentially intermittent. It is proposed therefore by amendments (*a*), (*d*) and (*f*) to permit the Local Government to grant exemptions from the provisions of Section 26 of the Factories Act. The exemptions will in all cases be subject to any conditions which the Local Government may consider necessary for the purpose of ensuring that the provisions of the Act limiting hours of work are not contravened.

Clause 11.—The existing Act provides that where persons, by virtue of an exemption granted under Section 30 (1), are permitted to work for more than 60 hours in a week, they are entitled to overtime at the rate of at least 1¼ times the normal rate of wages. There is no reason why this provision should not apply equally to exemptions granted under Section 30 (2).

Clause. 12 —It is frequently necessary that the persons employed in the engine-room or boiler-house of a factory should attend on the weekly holiday, and the new Section 31A is designed to meet this need.

The existing Section 24 (*a*) prohibits the employment of women in factories before 5-30 A.M. and after 7 P.M. This provision has proved prejudicial to the working of fish curing and canning factories. It is essential in such cases that work should commence as soon as the material is available, and this was recognized in the International Convention relating to the employment of women by night, which has been ratified by India. The Factories Act, however, contains no provision for the purpose and the new Section 31B is designed to supply the deficiency.

Clause 13.—Difficulties have arisen in enforcing the Act where no person has been officially designated as manager of the factory. This difficulty has been especially felt in Burma in the case of factories owned by Chinese proprietors who cannot easily be traced. The person managing the factory cannot be prosecuted for an infringement of the law unless he has actually been designated as manager. The amendment proposed is designed to make it possible for responsibility to be brought home to the person actually managing the factory.

Clause 14.—As Section 34 of the Factories Act stands at present, it does not enable the inspector or the Local Government to receive notices of dangerous accidents, which do not actually result in death or a bodily injury. For example, if part of a factory collapses when no one is working in it, so that no casualties result, no report need be made, and the necessity of enforcing more stringent precautions may thus be overlooked. It is therefore proposed to insert a provision giving Local Governments power to require notices of accidents of any special class of explosion, fire, collapse of buildings, accidents to machinery or plant, etc., which they may specify.

Clause 15.—Section 35 of the Factories Act, which is supplementary to Section 26, has given rise to considerable difficulty in administration. It requires the manager to maintain a register of all persons employed and of their hours of work, and these hours must necessarily be specified beforehand. As has been indicated in the note on clause 10, it is not always possible for the manager to predict the exact hours within which each person shall be employed, and it is therefore proposed to give the Local Government power to dispense with the necessity of the register in certain cases. It is intended that this power should only be used where the total hours worked by the factory are such that it is impossible for any adult to work for hours longer than those permitted by the Act, and provided that this condition is observed, there is no danger of any infringement of the limits which the Act imposes upon hours of work. It would not be possible to prevent abuses arising in connection with the employment of children if a similar exemption were granted in their case. It is proposed therefore that the exemption should only be possible in the case of adults.

In a number of factories, elaborate muster-rolls are maintained, which give all the necessary particulars but which are not necessarily in the form prescribed by the Local Government. It is proposed to grant the inspector power to permit the substitution of these muster-rolls for the register prescribed under the Act.

Clause 16.—Under Section 36 of the Factories Act, notices must be displayed, giving the standing orders of the factory relating to hours of work, rest intervals and holidays, and alterations in these notices must be sent to the inspector within seven days. At present, an inspector who visits the factory and finds that the standing orders are being contravened may be informed that the change has been made a few days before his visit to the factory, and it is difficult for him to check the accuracy of this statement. There is no reason why changes in the hours of work should not be notified to the inspector as soon as they are made, and the amendment will, it is hoped, place the inspecting staff in a position to exercise more effective control than is possible at present.

Clause 18.—Considerable difficulty has been experienced in preventing the employment of children in two factories on the same day. It is seldom possible to prove that either manager is aware that the child is working in another factory and in many cases the manager may have no such knowledge. On the other hand, it is almost universally the case that such employment is obtained under compulsion from or on the instigation of the parent or guardian of the child. It is believed that, if it were possible to punish the parent or guardian for what is essentially a gross dereliction of his duty to the child, the hands of those who are endeavouring to stamp out the abuse would be considerably strengthened. The proposed section is an adaptation of Section 138 (1) of the British Factory and Workshop Act, 1901.

Clause 20.—The new clause is designed to enable inspectors to conduct prosecutions under the Factories Act.

Clause 21.—Section 33 of the Factories Act provides that persons occupying factories should send a written notice to the inspector on or before the date on which the factory commences work. Section 49 prevents prosecution for any offence unless complaint has been made within six months of the date of the alleged offence. It follows that, if a factory has worked for more than six months without being discovered, the occupier cannot be prosecuted for failure to inform the inspector of the opening of the factory. The amendment is designed with a view to rectifying this defect.

B. N. MITRA.

8th September, 1925.

No. 1332/119 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *12th November*, 1925.

THE UNDER-SECRETARY TO THE GOVERNMENT OF BOMBAY,
GENERAL DEPARTMENT, BOMBAY.

SIR,

I have the honour to acknowledge receipt of your letter No. 741/13600-D of 10th October, 1925, forwarding a copy of the Bill further to amend the Indian Factories' Act, 1911, and soliciting the Association's views thereon.

2. My Committee have given their most careful consideration to the various amendments proposed to be made in the Indian Factories' Act and while some of the amendments meet with their approval, they regret there are others against which they must lodge an emphatic protest.

3. One of the most objectionable clauses in the Bill, in my Committee's opinion, is clause 5 which lays down two additional provisions regarding temperature regulation. While my Committee agree that every reasonable means should be adopted and every reasonable precaution should be taken by employers to obtain comfortable working conditions in the establishments under their control in the interests of health and of efficiency, they are strongly of opinion that no really satisfactory solution of the ventilation problem will be possible until

a definite standard or standards by which the comfort of atmospheric conditions in different classes of factories and different parts of the country has been evolved and generally agreed to or accepted. The clause vaguely lays down that " a reasonable temperature " shall be maintained in every factory, but my Committee confidently assert that Factory Inspectors without a satisfactory basis on which to build up their conclusions would in 99 per cent. of cases be unable to substantiate a charge (before an expert tribunal) that a reasonable temperature had been exceeded. A perusal of the Report on Humidification submitted to Government in March 1923 ought to satisfy them regarding the utter futility of the proposed regulation, which cannot possibly add to the effectiveness of the sanitary provisions of the existing Act, and would be likely to lead to contradictory decisions by different Factory Inspectors and in different provinces which might adversely affect the possibility of introducing satisfactory ventilation standards in future. My Committee therefore strongly urge the entire deletion of this clause which places very arbitrary powers in the hands of Factory Inspectors on a subject of considerable complexity.

4. My Committee would like to impress upon Government the necessity of completely re-drafting Section 19 of the present Act which prohibits women and children from cleaning machinery in motion. There can be little doubt that a strict interpretation of the section would prevent women and children from performing many necessary minor cleaning operations incidental to a process and which are always considered to be a necessary part of the process—for example, the cleaning of under rollers on the ring frame and mule. The proposed amendment of the section by the incorporation of clause 7 of the amending Bill is certainly not in the right direction, and if strictly interpreted would practically mean the discontinuance of almost every operation of cotton manufacture. In my Committee's opinion, this position should be remedied not by amending the Act in the manner suggested by the Government of India but by an entire re-drafting of Section 19 specifically laying down what types of cleaning are prohibited in the case of all operatives. The English Act could be considered as a suitable guide in this respect and modifications of Section 13 of the Factory and Workshop Act of 1901 to suit Indian conditions might be substituted for the present Section 19 of the Indian Act instead of the amendment now proposed. My Committee wish to impress upon Government, with all the emphasis at their command, the unreasonableness of retaining a clause in the Indian Act which makes an employer liable to a fine of Rs. 500 when a workman is doing cleaning which is an essential part of a manufacturing operation.

5. As regards the question of rest intervals, my Committee had expressed their views very clearly in their reply to the Government of India's letter dated 6th June, 1923, in the course of which they had stated :—

> " If as is pointed out the intention of the Legislature has been frustrated owing to the wording of this particular clause, my Committee are of the opinion that Section 21 (*i*) (*a*) (*ii*) might be amended, the necessary care being taken to ensure that the rest intervals occur at suitable intervals during the working day, preferably about mid-day, and that the workpeople desire the change.
>
> " The possibility of inserting a rest interval at the end of a day must be avoided. My Committee think that the full hour's rest should occur before the 8th hour's work."

The proposed amendment (clause 8) judged by this standard is still unsatisfactory, and in any event the clause as at present worded would not prevent a mill from working with what really amounts to half an hour's recess per day instead of one hour, for under the present clause rest intervals in a ten-hour day could be arranged: Five hours' work—Half an hour's recess—Five hours' work—Half an hour's recess. The last portion of the present clause would not be contravened because there would not have been a period of six hours' work before or after a half-hour break and the provisions of the Act would nominally have been followed. My Committee would suggest that Section 21 (*i*) (*a*) (*ii*) should be amended as follows :—

> (*ii*) At the request of the employees concerned and with the approval of the employer concerned, periods of rest at intervals not exceeding five hours, of not less than half an hour each, the total duration of the periods of rest on that day being not less than one hour for each eight completed hours of work.

Such an amendment would ensure that one hour's rest interval is given before the end of a day and at suitable intervals, and would in addition prevent a change of rest intervals being forced upon an employer who did not deem such a change desirable in the interests of efficient working (*vide* this Association's reply to Government of India letter dated 6th June, 1923).

The suggested new clause which it is proposed to add to Section 21 to permit a half-hour rest interval for male employees when the working day does not exceed 8½ hours was opposed by the Association when put forward in 1923 on the grounds that it might encourage the undesirable practice of double-shift working. One of the Government's reasons for encouraging the proposal is that it might lead to a reduction of hours of work in some factories. How it would do this is not explained. An hour's recess is little enough when the general climatic conditions of India are considered and my Committee are therefore opposed to the proposed amendment which does not appear to have been extensively desired, complicates the Act, would add to the labour of inspectors in factories where men, women and children are employed as is the case in nearly all industries, and would lead to a decrease rather than an increase in efficiency of working.

6. The amendments proposed under clauses 10, 12 and 15 of the Bill are entirely in the right direction and have my Committee's warm approval, though they believe that still further modifications might have been included with advantage in clause 10.

7. In conclusion, I am to give my Committee's views regarding some less important clauses not referred to above :—

Clause 9.—My Committee have no objection to this clause, if Factory Inspectors as a whole consider this change advisable, but it may be pointed out that the clause opens up dangerous possibilities in districts where seasonal factories work double shifts or extended hours.

Clause 16.—For the better observance of the provisions of the Factory Act, my Committee agree with Government as to the advisability of making it necessary for changes in the standing orders of a factory to be posted up before being put into operation and notified to the Factory Inspector within 24 hours.

Clauses 17 *and* 22.—These amendments are consequential to the amendment proposed under Section 5 of the Bill which has already been strongly condemned above.

Clause 20.—My Committee see no objection to an inspector being allowed to conduct the prosecution for offences under the Act.

Clause 21.—My Committee agree that in view of the reasons given in the Statement of Objects and Reasons attached to the Bill, the proposed amendment is quite necessary.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 3.

FURTHER AMENDMENT TO THE INDIAN BOILER REGULATIONS.

DEPARTMENT OF INDUSTRIES AND LABOUR,

SIMLA, *the 6th October*, 1925.

NOTIFICATIONS.

No. G.-(B.)-6.—The following draft of further amendments to the Indian Boiler Regulations, 1924, which it is proposed to make in exercise of the powers conferred by Section 28 of the Indian Boilers Act, 1923 (V of 1923), is published, as required by sub-section (1) of Section 31 of the said Act, for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 10th January, 1926. Any objection or suggestion which may be received in respect of the draft before the date specified will be considered by the Governor-General in Council.

Draft Amendments.

1. For sub-regulation (*b*) of Regulation 20 of the said Regulations the following sub-regulation shall be substituted, namely :—

" (*b*) *Angle Bars.*—A cold or a temper bend test shall be made from each angle bar rolled."

2. In Regulation 48 of the said Regulations after the words " the longitudinal seams shall " the words " , where practicable," shall be inserted.

3. Regulation 49 of the said Regulations shall be re-numbered 49 (*a*) and after the regulation so re-numbered the following sub-regulation shall be inserted, namely :—

" (*b*) Where shell plates and end plates are connected by means of an external angle ring as in the front ends of Lancashire and Cornish type boilers the thickness of the angle ring shall be at least ten per cent. in excess of the thickness of shell plate."

4. After sub-regulation (*e*) of Regulation 67 of the said Regulations the following sub-regulation shall be inserted, namely :—

" (*f*) Where stay tubes are not fitted in nests of tubes, as in tube plates of loco-type boilers, and parts of plate outside the space occupied by tubes are supported, in accordance with Regulation 99 (*b*), by screwed stays each stay in the row nearest the tubes shall be of sufficient strength to support the plate up to the edges of the tube holes in addition to its share of the plate on opposite side of line of stays.

The working pressure for the plate between tubes and stays shall be determined by Eqn. (25), A being the horizontal pitch of the stays in the nearest row, B twice the distance between the centre line of stays and a line touching the tubes opposite them and C the co-efficient appropriate to the kind of stay."

5. In sub-regulation (*c*) of Regulation 70 of the said Regulations, in the definition of D, after the words " whichever is applicable," the following shall be inserted, namely :—

" where the circle passes through only three of the possible five points of support mentioned the remaining two shall be embraced within the circle."

6. In Regulation 76 of the said Regulations after the words "A is the area in square inches supported by one stay," the following shall be inserted, namely :—

" [For area to be supported by stays near tubes in firebox tube plates of loco-type boilers see Regulation 67 (*f*)]."

7. At the end of sub-regulations (*d*) and (*e*) of Regulation 92 of the said Regulations the following shall be inserted, namely :—

" For stresses allowed on the sections see Regulation 81."

8. After Regulation 112 of the said Regulations the following regulations shall be inserted, namely :—

" 112-A.—*Corrugated Fireboxes of Vertical Boilers.*—For the semi-spirally corrugated fireboxes of " Sentinel " standard motor wagon boilers the working pressure shall be determined by the following formula :—

$$W. P. = \frac{C(t-1)}{D} \quad .. \quad .. \quad .. \quad \text{Eqn. (65 A).}$$

t is the thickness of the firebox plate in 32nds of an inch,

D is the mean of the external diameters of firebox measured over the plain part at each end at commencement of curvature of flange,

C = 390.

112-B.—*Foundations of Vertical Boiler Furnaces.*—Where circular furnaces or fireboxes of vertical boilers are not connected to the shell crown by uptake tube, smoke tubes or bolt stays and the whole load on the firebox vertically is borne by the bottom part of the firebox where it is connected to the shell the working pressure for the part, if firebox is joggled out to meet the shell or if an ogee or Z angle ring is fitted, shall not exceed that found by the following formula :—

$$W.\ P. = \frac{C(t-1)2}{D(D-D_1)} \quad \ldots \quad \ldots \quad \text{Eqn. (65 B).}$$

t is the thickness of the joggled firebox plate, ogee ring or angle ring in 32nds of an inch,

D is the inside diameter of the boiler shell in inches,

D_1 is the outside diameter of the joggled firebox at the commencement of curvature above joggled part or the outside diameter of the firebox where it joins the ogee ring or angle ring,

C = 140 for joggled firebox or ogee ring,

C = 80 for Z angle ring.

112-C.—*Foundations of Loco-type Boiler Fireboxes.*—Where the firebox roof in loco-type boilers is not stayed direct to the external casing crown or to girders carried by the casing or is not connected to the casing by slings in accordance with Regulation 92 (*d*) and the whole load on the firebox vertically is borne by the bottom parts of the firebox where connected to the external casing the working pressure for the parts, if plates are joggled out to meet the casing or if an ogee or Z angle ring is fitted, shall not exceed that found by the following formula :—

$$W.\ P. = \frac{C(t-1)2 \times (L+W)}{L \times W(W-W_1^2)} \quad \ldots \quad \text{Eqn. (65 C).}$$

t is the thickness of the joggled firebox side plates or firehole plate (whichever is less), ogee ring or angle ring in 32nds of an inch,

L is the length of firebox casing in inches measured between the water sides of front end plate and saddle plate at the foundation seam,

W is the width of firebox casing in inches measured between the water sides of casing side plates at the foundation seam,

W_1^2 is the width of firebox in inches measured between the water sides of firebox side plates at the commencement of curvature above joggled part or where it joins the ogee ring or angle ring,

C = 70 for joggled plates or ogee ring,

C = 40 for Z angle ring."

9. In Regulation 125 of the said Regulations (*i*) after the definition of C in sub-regulation (*l*) the following shall be inserted, namely :—

" The steel wire of which springs of direct spring loaded safety valves are made shall not be less than $\frac{3}{16}$ inch in diameter or side of square ; " and

(*ii*) after sub-regulation (*m*) the following sub-regulation shall be inserted, namely:—

" (*n*) The number of coils of spring required for a given compression or the compression due to the load may be ascertained approximately by the following formulæ :—

$$N = \frac{K \times C \times d}{L \times D^3}$$

$$K = \frac{L \times D^3 \times N}{C \times d^4}$$

N is the number of free coils in spring,

K is the compression of spring in inches,

d is the diameter of round or side of square steel of which spring is made, in 16ths of an inch,

D is the diameter of spring from centre to centre of wire in inches,

L is the load on the spring in pounds,

C = 22 for round and 30 for square sectional springs.

The ratio between D the mean diameter of spring coil and d the diameter of wire of which spring is made shall not be less than 4 or more than 5 to 1."

No. 1316/142 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *11th November*, 1925.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF INDUSTRIES AND LABOUR, DELHI.

SIR,

I am directed to address you with reference to the Notification No. G-(B)-6, dated 6th October, 1925, published in the *Gazette of India*, dated 10th October, 1925, setting forth certain amendments proposed to be made in the Indian Boiler Regulations.

The proposed amendments for some time have been receiving the attention of my Committee and I am to state that in so far as they are competent to judge no serious objections need be offered to the proposed alterations which conform in the main with standard English practice, provided that they are not made applicable to boilers already *in situ* or ordered which comply with the present regulations. At the same time I am respectfully to suggest that copies of the proposed amendments should be sent for expert criticisms and opinion to the leading boiler makers, boiler makers' agents and engineering associations in India in order that Government may have the benefit of their special knowledge.

I have taken the liberty of forwarding a copy of the Notification to the Bombay Textile and Engineering Association for perusal and comment.—I have, etc.,

T. MALONEY,
Secretary.

No. G-(B)-6.

GOVERNMENT OF INDIA.
DEPARTMENT OF INDUSTRIES AND LABOUR,
DELHI, *28th November*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT :—*Indian Boiler Regulations.*

SIR,

In reply to your letter No. 1316/142 of 1925, dated the 11th November, 1925, I am directed to say that the draft amendments to the Indian Boiler Regulations, 1924, published in this Department Notification No. G-(B)-6, dated the 6th October, 1925, are mainly intended to remove certain doubts which have arisen with regard to the interpretation of some of the

regulations and in the case of certain others to bring the regulations into conformity with the standard boiler practice in the United Kingdom. These amendments will not seriously affect existing boilers or those already ordered and in any case the Chief Inspector is empowered under sub-regulation 2 of Regulation 3 of the Indian Boiler Regulations to waive at his discretion (subject to certain restrictions) the conditions imposed in the case of any boilers.

2. As required by the law, the amendments in question have been notified in the *Gazette of India* for the information of all concerned and copies have been supplied to the High Commissioner for India in London and also to such of the firms, etc., as have applied for them. The Government of India do not think any further action necessary.—I have, etc.,

S. LALL,
Under-Secretary to the Government of India.

APPENDIX 4.

BOILER ATTENDANTS' EXAMINATION.

No. B. I./2567 of 1925.

BOMBAY COLLECTOR'S OFFICE,
STEAM BOILER DEPARTMENT,
BOMBAY, *5th March*, 1925.

THE SECRETARY,

THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Boiler Attendants' Examinations.*

DEAR SIR,

The Boiler Attendants' examinations rules prescribed in Part II of the Bombay Boiler Rules, 1924, provide for a practical test of the candidates on a wider scale than was in force before for the 3rd class engineers' examinations under the old rules. The candidates have now to demonstrate actually on boilers their ability to perform the various tests required of them. Factories, mills or workshops in which boilers are used, are the places prescribed by the rules for such tests.

2. Heretofore the 3rd class candidates were examined at His Majesty's Mint where a few boilers were available for the purpose but recently, in consequence of the installation of electric power at the Mint, all their boilers have now been removed. Moreover, the changed conditions of these examinations require for the examinations as great a variety of such places as are available. It has therefore become necessary to approach your Association for permission to examine the candidates at such of the mills under their control as they may agree to. The examiners will be asked to take batches of candidates (mainly firemen) to the mills, due notice of which will be given beforehand to the managers of the mills concerned.

3. I request that you will kindly place the above matter before your Association and communicate to me their decision.—Yours, etc.,

J. BRANDER,
Collector of Bombay.

No. 528/68 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *8th April*, 1925.

THE COLLECTOR OF BOMBAY,
STEAM BOILER DEPARTMENT, BOMBAY.

DEAR SIR,

With reference to your letter No. B.I./2567, dated 5th March, 1925, I am directed to inform you that the members of this Association will be pleased to give you the requisite facilities in connection with the Boiler Attendants' Examinations provided you inform them at least a week before the date of the examination. Will you kindly let me know the date of the next examination, the number of candidates and the number of mills you would like to be placed at your disposal in connection with this matter ?—Yours faithfully,

J. P. WADIA,
Acting Secretary.

APPENDIX 5.

THE COTTON GINNING AND PRESSING FACTORIES ACT RULES.

No. 6389/D.

GENERAL DEPARTMENT,
BOMBAY, *8th June*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT :—*The Cotton Ginning and Pressing Factories Act—Rules under.*

SIR,

I am directed by the Governor in Council to forward herewith a copy of Government Resolution, General Department, No. 6389, dated the 8th June, 1925, and to request that Government may be favoured with the views of your Association on the subject mentioned therein before the 27th instant at the latest.—I have, etc.,

R. F. GORVALA,
for *Under-Secretary to the Government of Bombay,*
General Department.

GOVERNMENT OF BOMBAY,
GENERAL DEPARTMENT,
BOMBAY, *8th June*, 1925.

RESOLUTION No. 6389.

Cotton Ginning and Pressing Factories Act (XII of 1925)—*Rules under.*

Letter * from the Government of India, Department of Commerce, No. 236-C, dated the 20th May, 1925.

RESOLUTION.—Copies of the letter from the Government of India and accompaniments should be forwarded to the Bombay Millowners' Association, etc., for favour of their opinion and they should be requested to send their replies to Government before the 27th June, 1925, at the latest.—By order of the Governor in Council,

A. H. DRACUP,
Under-Secretary to Government.

* Copy attached.

No. 236-C.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE.

FROM

THE HON'BLE MR D. T. CHADWICK, C.S.I., C.I.E., I.C.S.,
Secretary to the Government of India.

To

ALL LOCAL GOVERNMENTS AND ADMINISTRATIONS EXCEPT BURMA.

SIMLA, *the 20th May*, 1925.

SUBJECT :—*The Cotton Ginning and Pressing Factories Act (XII of* 1925).

SIR,

I am directed to address you with regard to bringing into operation the Cotton Ginning and Pressing Factories Act. The cotton year in India for trade purposes is generally considered to begin on September 1st and it is clearly desirable that the Act should, if possible, be in operation throughout the whole of the season. The Act cannot, however, be administered until the rules to be framed under Section 12 and 13 by the Governor-General in Council and the Local Government, respectively, have been issued. I am therefore to forward—

(*a*) a draft of the rules which it is proposed to issue under Section 12 of the Act ; and

(*b*) a draft of rules prepared by the Central Cotton Committee which the Local Government might like to take into consideration in framing rules under Section 13.

The Government of India proposed to notify that the Act shall come into force on August 1st although under Rule 7 of the Government of India rules, bales pressed before the 1st of October 1925 will not be required to be marked. This will allow two months in which press owners may obtain the special marks for their factories and make their arrangements. It will, however, necessitate the rules under Sections 12 and 13 being issued on or very shortly after August 1st. I am to request, therefore, that the opinions on the rules framed under Section 12 may be furnished to the Government of India not later than July 10th and to express the hope that you will be able to issue rules under Section 13 on or very shortly after August 1st.

2. During the passage of the Bill through the Indian Legislature an undertaking was given that all branches of the cotton industry would be consulted in regard to the rules to be made under the Act by the Government of India. I am to request that (with the permission of His Excellency the Governor in Council, etc.) the Government of India may be furnished with your opinion and of Chambers of Commerce, Trade Associations and Associations of Ginning and Pressing Factory owners on the enclosed draft of the rules which the Government of India propose to make under Section 12 of the Act.

3. Rules (1) and (2) are self-explanatory. In regard to Rule 3; I am to state that, since the allotment of marks to pressing factories obviously must be done provincially, it woud be most convenient, in the opinion of the Government of India, if the authority appointed by the Local Government under Section 13 (*b*) of the Act to receive returns of cotton pressed were also made responsible for the allotment of press marks ; Rule 3 has been drafted accordingly. I am to ask if the Local Government concur in this proposal.

4. Rule 4 calls for no comment except to say that to secure the full benefit of the Act, it is necessary that the district in which a bale of cotton is pressed should be readily ascertainable. The method prescribed in this rule seems to be the simplest and shortest way of achieving this. A letter has been allotted by Rule 4 to every province, and it will be for the prescribed authority to assign a serial number to each district in the province. If any new district be created, then that district will get the first unused consecutive number. This district number is to be placed before the provincial letter. Thus 1 M. will denote that the press is situated in Madras Presidency, Tinnevelly District. The province and district being thus defined it will only remain for the prescribed authority to allot consecutive numbers to press factories within his province irrespective of the district within which they are situated so that there are no blank numbers unallotted. It is of considerable importance to the cotton trade that the ownership of press marks should be widely known. The Government of India consider that a list of the pressing factories in a province with names of owners and particulars of marks allotted should be published annually in the local Official Gazette as soon as possible after the commencement of the cotton year, *i.e.*, as soon as possible after September 1st of each year. A copy should be sent at the same time to the Director-General of Commercial Intelligence, Calcutta, for publication in the *Indian Trade Journal.*

5. The necessity of a rule rendering press marks non-transferable was urged by several commercial bodies when the Bill was in circulation and Rule 5 makes provision accordingly.

6. It is obvious that each press will require to start annually a new series of serial numbers on the bales pressed in the factory. The serial number has been defined accordingly as consisting of two parts, *viz.*, the last two integers of the cotton year and the number of the bale in that year's pressing. The cotton year from September 1st to August 31st has now been generally adopted throughout India except in the Madras Presidency where the cotton season is much later. It is preferable to adhere to this rather than to adopt the calendar year which might cause confusion since in most provinces numbers would then have to be changed in the middle of the pressing season. The dates proposed for the Madras Presidency are those already adopted in their weekly cotton statistics and are probably best suited to the late seasons of the South. [There are, however, general advantages in uniformity throughout India in this matter and the opinion of the Madras Government is requested whether they consider that seasonal conditions and trade necessities in Madras are such as to render advisable the continuance of these special dates for Madras.]

7. The manner in which bales are to be marked has been considered very carefully by the Indian Central Cotton Committee. In view of the provisions of Section 14 of the Act it is essential that the marks shall be such as cannot be readily obliterated. The recommendation of the Indian Cotton Committee of 1917-18 that press marks should be stencilled on the flat side of the bale is open to the grave objection that not only are such marks liable to be obliterated by rough handling but there is no small risk that substituted marks would be sewn on to the hessian and the excuse made that the original marks had been damaged.

The Government of India propose to accept the recommendation of the Central Cotton Committee that the marks required under the Act should be punched on the hoop. On the information before them, they consider this to be the only method which will protect the trade against dislocation of business and possible fraud. The proposed method has the further advantage that merchants will be at liberty to stencil their own marks on the hessians as at present. The Indian Central Cotton Committee have reported that hoops can easily be marked by the use of the steel letter punches or by special machines devised for that purpose.

8. I am also to request your views regarding the suitability of the classification proposed for the weekly returns of cotton pressed. A classification by trade varieties would possess certain advantages but, as there is considerable doubt as to whether such returns could be accurate and since the areas under different varieties are changing as the result of the work of the Agricultural Department, a geographical classification has been proposed. In the Madras Presidency voluntary weekly press returns have been effec-

[ ] To Madras only.

tively maintained for some years and in the present Madras weekly cotton reports the returns are classified by varieties. Subject to the concurrence of the Government of Madras no change is proposed in the existing classification for that Presidency. For other provinces a classification corresponding as nearly as possible with the old internal trade block has been adopted. Sub-divisions have been made where the blocks appeared to be inconveniently large for the present purpose and in some instances, where cotton production is small, blocks have been combined in order to avoid any possibility of figures appearing for individual presses.

9. The weekly returns of cotton pressed will afford statistical information of great and increasing importance to the cotton trade and form one of the chief features of the Act. Uniformity throughout India is essential and it is proposed that all press returns should be for the seven days ending on the Saturday of each week. The prompt publication of such information is also of obvious importance. The draft rule provides for publication in the local Official Gazette and in the Supplement to the *Gazette of India*. It is further proposed to publish the returns weekly in the *Indian Trade Journal* and the Indian Central Cotton Committee as well as the East Indian Cotton Association request, provided the Local Government has no objection, that they may be supplied direct with copies of the provincial returns. It is requested that the copy of the Provincial return relating to the preceding week be despatched to the Director-General of Commercial Intelligence and Statistics not later than Friday in each week. The Director-General of Commercial Intelligence and Statistics will be responsible for the compilation and publication of the All-India return.

(I am also to ask for the opinion of the Government of Bombay whether the Sind press returns could be compiled by the Director of Agriculture, Bombay Presidency, at Poona in time to permit of their publication in the *Bombay Gazette* at the same time as the press returns for the rest of the Presidency and included in the Provincial return to be despatched to the Director-General of Commercial Intelligence and Statistics on each Friday or whether arrangements for local compilation and despatch could be made.)

10. The Act cannot operate until Local Governments have framed and issued rules under Section 13. As it is clearly desirable that the Act should be observed throughout India from about the same date and as the Government of India wish to see it given effect to during the next cotton season, I am to invite attention not only to the advisability of drafting promptly rules under Section 13 but also to the great desirability of early publication of those rules for the guidance of the trade. In this connection I am to forward for consideration a draft of certain of these rules furnished by the Indian Central Cotton Committee. No draft rule has been suggested under Section 13 (*c*) as provincial requirements will differ. But in respect to the other rules, I am to suggest that it will be of advantage if a measure of uniformity could be attained throughout India and to request that, in framing rules under Section 13, these proposals may receive consideration.

11. The intention of the proposed Rule (1) under Section 13 (*b*) is that the authority to whom weekly press returns should be made should be the officer responsible for the preparation of the provincial cotton forecast who, in most provinces, is the Director of Agriculture. It is desirable that the statistical return of bales pressed shall be complete for the cotton year and there is no need to defer their compilation until the marking of bales becomes compulsory. It has therefore been provided that the first return shall be for the week ending September 5th, 1925.

12. The rules under Sub-section 13 (*d*) present a little difficulty in respect to the appointment of authorities under Section 9 of the Act. The duties under sub-section (4) of that section obviously require the intervention of the local officers such as the Collector of the District. On the other hand, the design of new ginning factories raises more technical questions and the Central Cotton Committee suggest in their draft rules that the advice of the Provincial Cotton Committees would be helpful in this matter. Whether the Chairman of that Committee or whether some other officer, *e.g.*, the Director of Agriculture be notified as the prescribed authority for Section 9 (1) of the Act is a question purely for the Local Governments.

( ) To Bombay only.

13. In the proposed rule under sub-section (*f*) inspection has been limited to the usual working hours since no question of the hours of working is involved. In this connection I am to invite the attention of Local Governments to the fact that whilst the Act provides other machinery for ensuring the maintenance of registers at pressing factories, failure to maintain the ginning register can readily be detected only by inspection. It is not the intention that the administration of the Act should involve the appointment of special Inspectors, but Local Governments will doubtless consider the advisability of issuing instructions to ensure the examination of ginning registers being made by officers who have an opportunity of doing so in the ordinary course of their work.

14. Under Section 5 of the Act, the " season " is to be defined by notification by each Local Government. Notwithstanding the latitude given by the Act in this respect, the Government of India hope that all Local Governments will be able to adopt the dates proposed in order to facilitate the compilation of all-India cotton statistics. (It is possible that for the reasons set forth in paragraph 7 *supra*, the Government of Madras may consider it necessary to adhere to a season beginning on February 1st, but the Government of India hope that the advantages of uniformity throughout India will be borne in mind.)

15. The forms which accompany the draft rules call for no comment, but I am to suggest that Local Governments will probably consider the advisability of issuing similar vernacular forms for the ginning register, press register as well as for the weekly return which is required from each press under Section 5 of the Act.

16. The draft rules under Section 12 are being published for general information and opinions in the *Gazette of India*.

[17. I am to suggest that a draft with the necessary notification applying the Act to Berar may be submitted to the Government of India in the Foreign and Political Department together with a statement of any necessary modifications in the rules to be made under the Act as applied to that territory.

For the purposes of Rule 4 it will probably be most convenient to prescribe a separate letter " K " for Berar, to allot separate district numbers and to use a separate series of press numbers as if Berar were a separate province. The authority who will allot press marks and to whom returns under Section 5 would be sent might conveniently be the Director of Agriculture, Central Provinces and Berar.

In regard to Rule 8 it is suggested that a schedule, in the same form as for each province, should form part of the rules as applied to Berar and that one block consisting of the districts of Akola, Amraoti, Buldana and Yeotmal would be sufficient.]—I have, etc.,

D. T. CHADWICK,
Secretary to the Government of India.

RULES UNDER THE COTTON GINNING AND PRESSING FACTORIES ACT.

Act No. XII *of* 1925.

In exercise of the power conferred by Section 12 of the Cotton Ginning and Pressing Factories Act, 1925 (XII of 1925), the Governor-General in Council is pleased to make the following rules :—

Short title and commencement.

1. (1) These rules may be called the Indian Cotton Ginning and Pressing Factories Rules, 1925.

(2) They shall come into force on the first day of August, 1925.

( ) To Madras only. [ ] To C. P. Government only.

Definition

2. In these rules—

" Act " means the Cotton Ginning and Pressing Factories Act, 1925 ;

" Section " mean a section of the Act.

3. The owner or lessee of every cotton pressing factory shall apply to the authority appointed to receive returns under sub-section (1) of Section 5 for the allotment of the mark required by Section 4 to be used for such factory. Such application shall be made, in the case of factories in existence at the commencement of these rules, on or before the 1st September, 1925, and, in case of factories constructed thereafter, not less than one month before work commences in the factory :

Provided that the authority aforesaid may at any time allot the mark to be used in a factory in respect of which no application has been made and may intimate the allotment to the owner of such factory.

Special mark.

4. (1) The special mark allotted to each factory shall consist of a number denoting the district and a letter denoting the province in which the factory is situated together with a number denoting the factory.

(2) The letters denoting the province shall be as follows :—

For presses situated in the Madras Presidency the letter	M.
For presses situated in the Bombay Presidency the letter	B.
For presses situated in Bengal the letter	L.
For presses situated in the United Provinces the letter	U.
For presses situated in the Punjab the letter	P.
For presses situated in the Central Provinces the letter	C.
For presses situated in Bihar and Orissa the letter	O.
For presses situated in Assam the letter	A.
For presses situated in the North-West Frontier Province the letter ..	F.
For presses situated in Ajmer-Merwara the letter	J.
For presses situated in Delhi the letter	D.

(3) The numbers denoting the factory shall run consecutively within each province.

Marks not transferable.

5. No special mark once allotted shall be transferred to another factory.

6. The serial number shall consist of two parts separated by a star. The first part shall consist of two numerals being the last two integers of the calendar year in which the cotton year has commenced and the second part shall be the running number of the bale according to the press factory register. The cotton year shall commence on the first day of September in each calendar year and shall terminate on the thirty-first day of August next following, except in the Madras Presidency where the dates for the commencement and ending of the cotton year shall be the first day of February and the 31st day of January respectively.

7. On and after the 1st October, 1925, every bale of cotton pressed in a cotton pressing factory shall be marked in the following manner :—

Manner of marking.

The special mark and the serial number of the bale shall be indelibly punched or stamped on any part of the central hoop of the bale in such a manner as to be clearly decipherable. Provided that if the bale is lashed with less than three hoops the marks shall be punched on either of the hoops (if two hoops be used) or near the middle of the hoop if one hoop only be used. The letters and numbers used shall in no case be less than one-quarter-of-an-inch in length. English letters and numbers only shall be used. The factory markshallbe separated from the serial number by a star, and the following order shall be observed :—

Number denoting district—letter denoting province—number denoting factory—star—numerals denoting cotton year—star—running number of bale.

Illustration.

A bale of cotton pressed at a factory in a district in the Bombay Presidency in February 1926 is marked " 11 B 161 * 25 * 3456." In this mark 11 B 161 is the factory mark 11 denoting the district, B the province and 161 the number allotted to the factory; 25 * 3456 is the serial number, 25 representing the cotton year commencing on September 1st, 1925, and 3456 the running number of the bale pressed in the factory.

Compilation and publication of returns.

8. The statements to be compiled by Local Governments under sub-section (2) of Section 5 shall be published weekly in the local Official Gazette and in the supplement to the *Gazette of India* in the form appointed for the province concerned in the annexed Schedule.*

SUGGESTED RULES UNDER SECTION 13 OF THE GINNING AND PRESSING FACTORIES ACT.

(*Rules to be made by Local Governments.*)

Under Section 13 (*a*).—

(1) The ginning register shall be maintained in the form shown in the attached Schedule A.*

(2) The press register shall be maintained in the form shown in Schedule B.*

(3) The weekly returns of cotton pressed shall be in the form shown in Schedule C.*

(4) Any officer empowered under Section 13 (*f*) of the Act to enter and inspect a cotton ginning factory or a cotton pressing factory may when making such inspection examine the above registers and test the accuracy of the entries.

Under Section 13 (*b*).—

(1) The authority to whom returns under Section 5 of the Act shall be made shall be the Director of Agriculture.

Such returns shall be for the seven days ending on the Saturday of each week and shall be posted not later than the following day, and the first return shall be for the week ending September 5th, 1925.

(2) When a pressing factory finally ceases work for the season, this shall be stated on the last weekly return.

Under Section 13 (*d*).—

(1) The prescribed authority for the purposes of Sections 7 and 8 of the Act shall be the Collector of the District (in Madras—Divisional Officer) in which the factory is situated.

(2) The prescribed authority for the purposes of Section 9, sub-section (1) of the Act shall be the Chairman of the Provincial Cotton Committee appointed under Government Order (No....., dated.....).

(3) The prescribed authority for the purposes of Section 9, sub-section (2) and Section 9, sub-section (4) of the Act shall be the Collector of the District in which the factory is situated.

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* Not printed.

Under Section 13 (*f*).—

A District Magistrate, or other officer specially empowered in this behalf by the Local Government, may enter any cotton ginning or cotton pressing factory at any time during the usual working hours, and may make such inspection of the premises and machinery and of any prescribed registers as he may deem necessary for the purpose of the Act or of the rules under the Act.

Under Section 13 (*g*).—

(1) Every pressing factory shall exhibit in a conspicuous place a notice showing the mark allotted to the factory under Section 12 of the Act.

(2) For the purposes of Section 5 of the Act the "season" shall commence on the first day of September in each year.

No. C-208-3 of 1925.

THE INDIAN CENTRAL COTTON COMMITTEE,
BOMBAY, *27th May*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY

SUBJECT :—*Rules under the Cotton Ginning and Pressing Factories Act.*

SIR,

I am directed to invite your attention to the draft rules under the above Act which appear in the *Gazette of India* for May 23rd together with a notification stating that objections and suggestions will be considered by the Government of India if received before July 1st.

2. I am informed that the Government of India have also addressed all Local Governments requesting them to obtain the opinion of Chambers of Commerce and Trade Associations on their proposals and you will doubtless receive a communication on the subject from the Government of Bombay at an early date.

3. The draft rules now published are in accordance with the recommendations of the Indian Central Cotton Committee, but my Committee will consider the actual draft rules at a very early date. I am to say that it would greatly assist us in framing out final recommendations if a copy of the opinion of the Bombay Millowners' Association could be sent to me at the same time as a reply is sent to Government.

4. I am to add that the question of the method to be adopted in marking bales has received the most careful consideration of the Indian Central Cotton Committee who have considered various alternative methods. The method described in the draft rule is that recommended by my Committee. In view of Section 14 of the Act it is essential that the marks shall be such as cannot readily be obliterated and this consideration, in our opinion, rules out any method of stencilling on the hessian covering of the bale. The proposed marks on the hoops can be made easily by the use of steel letter punches. A simple machine for marking hoops is obtainable at a cost of about £20 and my Committee have ordered one of these for trial and demonstration purposes.

5. If there is any further information on this subject which my Committee can furnish, I shall be glad to supply it.—I have, etc.,

B. C. BURT,
Secretary.

No. 6389/D.

GENERAL DEPARTMENT,
BOMBAY, *27th June*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT :—*Rules under the Cotton Ginning and Pressing Factories Act.*

SIR,

I am directed by the Governor in Council to refer to this Government letter No. 6389, dated the 8th June, 1925, inviting the views of your Association on the rules referred to above and to request that Government may be favoured with your reply as soon as possible. As the Government of India have asked for the reply of this Government by the 10th July, 1925, at the latest, the Governor in Council apprehends that he will not be in a position to represent your views to the Government of India if your reply is not received in due time.—I have, etc.,

R. F. GORVALA,
for *Under-Secretary to the Government of Bombay,*
General Department.

No. 782/103 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *29th June*, 1925.

THE UNDER-SECRETARY TO THE GOVERNMENT OF BOMBAY,
GENERAL DEPARTMENT, BOMBAY.

SIR,

Rules under the Cotton Ginning and Pressing Factories Act.

I have the honour to acknowledge receipt of your letter No. 6389/D, dated the 8th June, 1925 with enclosures.

2. My Committee have carefully considered the rules framed by the Government of India under Section 12 of the Cotton Ginning and Pressing Factories Act, and also the rules recommended by the Indian Central Cotton Committee for adoption by Provincial Governments under Section 13 of the Act. As regards the latter, my Committee have no criticisms to offer except that in their opinion printed post-cards should be supplied to the ginning and pressing factories by the Director of Agriculture or other officer to whom the returns in question are to be furnished.

3. As regards the rules drafted by the Government of India, my Committee are emphatically of opinion that the marks required are much too elaborate, and considering the labour that is available in up-country districts where the ginning and pressing factories are situated, punching of all these particulars will cause much confusion and is sure to result in serious mistakes.

4. My Committee are informed by the Indian Central Cotton Committee that a punching machine can be imported at a cost of £ 20, and in that case the first four marks can be automatically punched by the punching machine, but the running number of bales will require to be punched by hand for each bale unless the punching machine is fitted with a mechanism like the book paging machine by which numerals are printed.

5. In view of the fact that the punching machines will have to be imported from England, my Committee recommend that the rules for marking of bales should not be brought into force by Government for a year, until the pressing factories have imported such machines.

6. But even with the punching machine, it would be possible to punch only four marks, *viz.*, number denoting the district, letter denoting the province, number denoting the factory and numerals denoting the cotton year, with special dyes manufactured for each punching machine for each factory. But the greatest difficulty, in my Committee's opinion, as stated above lies in punching the running number of bales. My Committee think that this is not practicable by the labour available in up-country districts unless a high-class fitter is put on to do this work. My Committee therefore suggest that the running number of the bales be allowed to be stencilled on the long side of the bale and not on the end of the bales so that the canvas cannot be taken off, as would be the case if such running number was marked at the flat ends of the bales. If the running number is stencilled on the long side of the bale, the bale could not be tampered with, because the person endeavouring to do so will be easily caught, since he would have to cut the canvas on the long side of the bale and cannot substitute another canvas in its place.

7. My Committee, however, maintain that the whole system of marking is much too elaborate and can be easily simplified. In their opinion there is no necessity for marking the number denoting the district. It would be quite sufficient if the number denoting the factory was punched on the hoops, as in the case of motor cars. Such numbers can go up to 10,000 without the slighest hitch or difficulty, as there are in no province more than 1,000 factories and it will allow ample room for expansion. Thus, referring to the illustration given in Rule 7, my Committee consider B 161 would be quite adequate, for it can be easily ascertained from a printed list in what district that factory was situated where the bale in question was pressed.

8. My Committee are further of opinion that numerals denoting the year are not necessary. This may be useful for tracing after one or two years false packed bales which may have been exported to the Continent, but such cases are few and far between. The great fraud that is to be guarded against is that caused in the trade by the mixing of cotton and passing it on as of a better district than where it was grown and pressed, and for the detection of such frauds, it is enough to denote only the province and factory number.

9. My Committee trust Government will see their way to simplify on the lines indicated above the far too elaborate system of marking which they propose to introduce under these rules.—I have, etc.,

J. P. WADIA,
Acting Secretary.

DEPARTMENT OF COMMERCE,
SIMLA, *the 8th August*, 1925.

NOTIFICATIONS.

COMMERCE.

No. 236-C. (2). In pursuance of sub-section (3) of Section 1 of the Cotton Ginning and Pressing Factories Act, 1925 (XII of 1925), the Governor-General in Council is pleased to appoint the 8th August, 1925, as the date on which the said Act shall come into force.

No. 236-C. (2). In exercise of the power conferred by Section 12 of the Cotton Ginning and Pressing Factories Act, 1925 (XII of 1925), the Governor-General in Council is pleased to make the following rules :—

Short title and commencement.

1. (1) These rules may be called the Indian Cotton Ginning and Pressing Factories Rules, 1925.

(2) They shall come into force on the eighth day of August, 1925.

Definition.

2. In these rules—

'Act" means the Cotton Ginning and Pressing Factories Act, 1925.

'Section" means a section of the Act.

3. The owner or lessee of every cotton pressing factory shall apply to the authority appointed to receive returns under sub-section (1) of Section 5 for the allotment of the mark required by Section 4 to be used for such factory. Such application shall be made, in the case of factories in existence at the commencement of these rules, on or before the 1st September, 1925, and in case of factories constructed thereafter, not less than one month before work commences in the factory:

Provided that the authority aforesaid may at any time allot the mark to be used in a factory in respect of which no application has been made and may intimate the allotment to the owner of such factory.

Special mark.

4. (1) The special mark allotted to each factory shall consist of a letter denoting the province in which the factory is situated together with a number denoting the factory.

(2) The letters denoting the province shall be as follows:—

For presses situated in the Madras Presidency the letter	M.
For presses situated in the Bombay Presidency, excluding Sind, the letter	B.
For presses situated in Sind the letter	S.
For presses situated in Bengal the letter	L.
For presses situated in the United Provinces the letter	U.
For presses situated in the Punjab the letter	P.
For presses situated in the Central Provinces the letter	C.
For presses situated in Bihar and Orissa the letter	Q.
For presses situated in Assam the letter	A.
For presses situated in the North-West Frontier Province the letter ..	F.
For presses situated in Ajmer-Merwara the letter	J.
For presses situated in Delhi the letter	D.

(3) The numbers denoting the factory shall run consecutively within each province.

Marks not transferable.

5. No special mark once allotted shall be transferred to another factory:

Provided that when a press is transferred from one province to another the original allotted mark shall no longer be used and application shall be made to the prescribed authority for the allotment of a fresh mark.

Serial No.

6. The serial number shall consist of two parts. The first part shall consist of two numerals being the last two integers of the calendar year in which the cotton year has commenced and the second part shall be the running number of the bale according to the press factory register. A new series of running numbers shall be started at the commencement of each cotton year. The cotton year shall commence on the first day of September in each calendar year and shall terminate on the thirty-first day of August next following, except in the Madras Presidency where the dates for the commencement and ending of the cotton year shall be the first day of February and the 31st day of January respectively.

7. On and after the 1st October, 1925, every bale of cotton pressed in a cotton pressing factory shall be marked in the following manner:—

Manner of marking.

The special mark and the two integers denoting the cotton year shall be indelibly punched or stamped on any part of the central hoop of the bale in such a manner as to be clearly decipherable. Provided that if the bale is lashed with less than three hoops the marks shall be punched on either of the hoops (if two hoops be used) or near the middle of the hoop if one hoop only be used. The letters and numbers used shall in no case be less than one-quarter-of-an-inch in length; English letters and numbers only shall be used.

The running number of the bale shall be punched or stamped on the hoop as described above *or* shall be stencilled in ink on the hessian covering of a lashed flat side of the bale in such a manner as to be clearly decipherable, English numbers only being used which shall not be less than two inches in length.

The following order shall be observed for marks punched on the hoops:—

Number denoting factory—letter denoting province—numerals denoting cotton year.

If the running number be punched on the hoop it shall follow the second of the two numbers denoting the cotton year and separated from it by a star. Where the running number is stencilled on the hessian a star shall be placed before the first integer and after the last integer.

Illustration.

A bale of cotton pressed at a factory in the Bombay Presidency in February 1926 would be marked in either of the following ways:—

On the hoop.		On the hoop.	On the hessian.
1		1	*
6		6	3
1		1	4
B	or	B	5
2		2	6
5		5	*
*			
3			
4			
5			
6			

In this mark 161B is the factory mark, B denoting the province and 161 the number allotted to the factory; 25*3456 is the serial number, 25 denoting the cotton year commencing on September 1st, 1925, and 3456 the running number of the bale pressed in the factory.

Note.

(*i*) In order to reduce to the minimum any risk of weakening the hoops by the punching or stamping of marks it is advisable to place the numbers and letters as in diagram (*a*) and not as in diagram (*b*).

Diagram (*a*)

1
6
1
B
2
5

Diagram (*b*)

161 B 25

(*ii*) The stencilling of the running number on an end or unlashed side of a bale does not fulfil the requirements of this rule.

Compilation and publication of returns.

8. The statements to be compiled by Local Governments under sub-section (2) of Section 5 shall be published weekly in the local Official Gazette and in the supplement to the *Gazette of India* in the form appointed for the province concerned in the annexed Schedule.

SCHEDULE.

FORM A.—MADRAS.

Statement of cotton pressed in the Madras Presidency for the week ending.....19

[Section 5 (2) of the Cotton Ginning and Pressing Factories Act, 1925.]

1	2	3	4	5
	No. of bales pressed.		No. of bales pressed.	
Variety of cotton.	During the week.	During the corresponding week last year.	Since.....19 . (The date prescribed by the Local Government as the commencement of the season.)	During the corresponding period last year.
1. Tinnevellies				
2. Salems				
3. Cambodia..				
4. Northerns and Westerns				
5. Coconadas				
Total..				

(Columns 3 and 5 to be filled in after September 1st, 1926.)

FORM B.—BOMBAY.

Statement of cotton pressed in the Bombay Presidency for the week ending.....19

[Section 5 (2) of the Cotton Ginning and Pressing Factories Act, 1925.]

1	2	3	4	5	6
	No. of bales pressed.		No. of bales pressed.		
Name of Division or Block.	During the week.	During the corresponding week last year.	Since.....19 . (The date prescribed by the Local Government as the commencement of the season.)	During the corresponding period last year.	Districts included in the block.
1. The Konkan and the Port of Bombay.					Thana, Kolaba and the Island of Bombay.
2. Gujerat					Ahmedabad, Kaira, Broach, Panch Mahals and Surat.
3. North Deccan					East Khandesh, West Khandesh and Nasik.
4 East Deccan					Ahmednagar, Sholapur and Bijapur.
5. West Deccan and Southern Mahratta Country					Poona, Satara and Ratnagiri. Belgaum, Dharwar, Kanara.
6. Sind					All districts in Sind.
Total for the Presidency excluding the Konkan and Port.					Note.—Cotton pressed in the Konkan and Port block is mainly re-pressed cotton or cotton waste.

(Columns 3 and 5 to be filled in after September 1st, 1926.)

FORM C.—BENGAL.

Statement of cotton pressed in the Bengal Presidency for the week ending.....19

[Section 5 (2) of the Cotton Ginning and Pressing Factories Act, 1925.]

1	2	3	4	5	6
	No. of bales pressed.		No. of bales pressed.		
Name of Division or Block.	During the week.	During the corresponding week last year.	Since.....19 (The date prescribed by the Local Government as the commencement of the season.)	During the corresponding period last year.	Districts included in the block.
The Bengal Presidency					All districts in the Presidency.

(Columns 3 and 5 to be filled in after September 1st, 1926.)

FORM D.—UNITED PROVINCES.

Statement of cotton pressed in the United Provinces of Agra and Oudh for the week ending.....19

[Section 5 (2) of the Cotton Ginning and Pressing Factories Act, 1925.]

1	2	3	4	5	6
	No. of bales pressed.		No. of bales pressed.		
Name of Division or Block.	During the week.	During the corresponding week last year.	Since.....19 (The date prescribed by the Local Government as the commencement of the season.)	During the corresponding period last year.	Districts included in the block.
1. Upper Doab					Dehra Dun, Saharanpur, Meerut, Bulandshahr, Aligarh, Muzaffarnagar.
2. Middle Doab					Muttra, Farukhabad, Etah, Agra, Mainpuri, Etawah.
3. Lower Doab					Cawnpore, Fatehpur, Allahabad.
4. Bundelkhand					Jhansi, Jalaun, Hamirpur, Banda.
5. Benares..					Mirzapur, Benares, Jaunpur, Ghazipur, Azamgarh, Ballia.
6. Gorakhpur					Gorakhpur, Basti.
7. North Oudh					Gonda, Bahraich, Kheri, Sitapur.
8. South Oudh					Hardoi, Unao, Lucknow, Bara Banki, Rai Bareli, Sultanpur, Fyzabad, Partabgarh.
9. Rohilkhand					Moradabad, Bareilly, Pilibhit, Bijnor, Naini Tal, Budaun, Garhwal, Shajahanpur, Almora.
Total..					

(Columns 3 and 5 to be filled in after September 1st, 1926.)

FORM E.—PUNJAB.

Statement of cotton pressed in the Punjab for the week ending.....19 .

[Section 5 (2) of the Cotton Ginning and Pressing Factories Act, 1925.]

1	2	3	4	5	6
	No. of bales pressed.		No. of bales pressed.		
Name of Division or Block.	During the week.	During the corresponding week last year.	Since.....19 . (The date prescribed by the Local Government as the commencement of the season.)	During the corresponding period last year.	Districts included in the block.
1. Ambala					Hissar, Rohtak, Gurgaon, Karnal, Ambala.
2. Jullunder					Kangra, Hoshiarpur, Jullunder, Ludhiana.
3. Lahore					Lahore, Amritsar, Gurdaspur, Sialkot, Gujranwala, Sheikupura.
4. Rawalpindi					Gujrat, Shahpur, Jhelum, Rawalpindi, Attock.
5. Multan					Montgomery, Lyallpur, Jhang, Multan, Muzzafargarh, Dera Ghazi Khan.
6. Ferozepore					Simla, Ferozepore, Mianwali.
Total ..					

(Columns 3 and 5 to be filled in after September 1st, 1926.)

FORM F.—CENTRAL PROVINCES.

Statement of cotton pressed in the Central Provinces for the week ending.....19 .

[Section 5 (2) of the Cotton Ginning and Pressing Factories Act, 1925.]

1	2	3	4	5	6
	No. of bales pressed.		No. of bales pressed.		
Name of Division or Block.	During the week.	During the corresponding week last year.	Since.....19 . (The date prescribed by the Local Government as the commencement of the season.)	During the corresponding period last year.	Districts included in the block.
1. Jubbulpore					Jubbulpore, Saugor, Damoh.
2. Nerbudda					Narsinghpur, Hoshangabad.
3. Nimar					Nimar.
4. Nagpur..					Nagpur, Chanda, Bhandara, Wardha, Balaghat.
5. Satpura..					Seoni, Chindwara, Betul, Mandla.
6. Chhatisgarh					Drug, Raipur, Bilaspur.
Total ..					

(Columns 3 and 5 to be filled in after September 1st 1926.)

FORM G.—BIHAR AND ORISSA.

Statement of cotton pressed in the Province of Bihar and Orissa during the week ending.....19

[Section 5 (2) of the Cotton Ginning and Pressing Factories Act, 1925.]

1	2	3	4	5	6
	No. of bales pressed.		No. of bales pressed.		
Name of Division or Block.	During the week.	During the corresponding week last year.	Since.....19 . (The date prescribed by the Local Government as the commencement of the season.)	During the corresponding period last year.	Districts included in the block.
The Province of Bihar and Orissa ..					All districts in the Province.

(Columns 3 and 5 to be filled in after September 1st, 1926.)

FORM H.—ASSAM.

Statement of cotton pressed in the Province of Assam during the week ending.....19

[Section 5 (2) of the Cotton Ginning and Pressing Factories Act, 1925.]

1	2	3	4	5	6
	No. of bales pressed.		No. of bales pressed.		
Name of Division or Block.	During the week.	During the corresponding week last year.	Since.....19 . (The date prescribed by the Local Government as the commencement of the season.)	During the corresponding period last year.	Districts included in the block.
The Province of Assam					All districts in Assam.

(Columns 3 and 5 to be filled in after September 1st, 1926.)

FORM I.—N.-W. F. P.

Statement of cotton pressed in the North-West Frontier Province during the week ending.....19

[Section 5 (2) of the Cotton Ginning and Pressing Factories Act, 1925.]

1	2	3	4	5	6
	No. of bales pressed.		No. of bales pressed.		
Name of Division or Block.	During the week.	During the corresponding week last year.	Since.....19 . (The date prescribed by the Local Government as the commencement of the season.)	During the corresponding period last year.	Districts included in the block.
The North-West Frontier Province ..					All districts in the Province.

(Columns 3 and 5 to be filled in after September 1st, 1926.)

FORM J.—AJMER-MERWARA.

Statement of cotton pressed in the Ajmer-Merwara during the week ending.....19

[Section 5 (2) of the Cotton Ginning and Pressing Factories Act, 1925.]

1	2	3	4	5	6
	No. of bales pressed.		No. of bales pressed.		
Name of Division or Block.	During the week.	During the corresponding week last year.	Since.....19 . (The date prescribed by the Local Government as the commencement of the season.)	During the corresponding period last year.	Districts included in the block.
Ajmer-Merwara					The whole of Ajmer-Merwara.

(Columns 3 and 5 to be filled in after September 1st, 1926.)

FORM K.—DELHI.

Statement of cotton pressed in Delhi for the week ending.....19

1	2	3	4	5	6
	No. of bales pressed.		No. of bales pressed.		
Name of Division or Block.	During the week.	During the corresponding week last year.	Since.....19 (The date prescribed by the Local Government as the commencement of the season.)	During the corresponding period last year.	Districts included in the block.
The Delhi Province					The whole of Delhi Province.

(Columns 3 and 5 to be filled in after September 1st, 1926.)

No. 6389/D.

GENERAL DEPARTMENT,
BOMBAY, *25th September*, 1925.

THE SECRETARY,
MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT :—*Rules under Section* 13 *of the Cotton Ginning and Pressing Factories Act.*

SIR,

I am directed by the Governor in Council to forward herewith for the information of your Association a copy of Government Resolution, General Department, No. 6389, dated the 15th August, 1925, and accompaniments regarding the rules issued by this Government under Section 13 of the Cotton Ginning and Pressing Factories Act.—I have, etc.,

R. F. GORVALA,
For *Joint Secretary to the Government of Bombay, General Department.*

GOVERNMENT OF BOMBAY,
GENERAL DEPARTMENT,
BOMBAY, *25th August*, 1925.

Resolution No. 6389.

SUBJECT :—*Cotton Ginning and Pressing Factories Act—Rules under the.*

Read again Government Resolution No. 6389, dated the 8th June, 1925.

Letter to the Government of India, Department of Commerce, No. 6389/D., dated the 28th July, 1925 :—

" I am directed by the Governor in Council to refer to the letter from the Government of India, No. 236-C., dated the 20th May, 1925, forwarding draft rules under Sections 12 and 13 of the Cotton Ginning and Pressing Factories Act for the opinion of this Government and expressing the hope that rules under Section 13 will be issued by this Government on or very shortly after August 1st.

" 2. In reply I am to say that as requested by the Government of India in paragraph 2 of their letter under reply the officers and bodies concerned were consulted with regard to the draft rules, and copies of their replies are appended hereto. With regard to the proposed rules under Section 12 of the Act, I am to say that subject to the observations made below the Governor in Council is in general agreement with those rules.

" 3. *Rule* 4 : *Marking of the bales.*—The Director of Agriculture, the Indian Merchants' Chamber, the Millowners' Associations, Bombay and Ahmedabad, and the Collectors of Bombay and West Khandesh have expressed the opinion that the prescribed method of marking bales is either costly or cumbrous. The method is, however, generally accepted by most of the officers and bodies consulted and the Governor in Council has no objection to its acceptance subject to the remarks made below. In order to reduce the complication of the marking number of a bale the Director of Agriculture, Bombay, has suggested that the district number may be omitted from it. The need of this number in the marking is, in the opinion of the Governor in Council, indisputable, but the advantage in prescribing a *provincial* instead of a *district* consecutive number is not clear. Apparently the Government of India desire to avoid breaks in the consecutive numbers of a province (*vide* paragraph 4 of the Government of India's letter in which it is stated that the prescribed authority will allot consecutive numbers to press factories irrespective of district so that there are no blank numbers); but draft Rule 5 stipulates that no special mark when once allotted shall be transferred to another factory, and blanks must therefore in time occur as it is likely that some factories may totally stop working after the allotment of the marks is made. The Governor in Council therefore considers that *district* consecutive numbers may be substituted for *provincial* ones, as they have an additional advantage that the total number of figures in the average mark will be smaller than in the case of provincial numbers. A useful method of forming the district number is the decimal method. The first two figures of the mark should be the district number ranging from 01 to 99 and the remainder the factory number ranging from 1 to any number, the provincial letter coming in its logical order of precedence, *e.g.*, B 11161×25×3456 or as there are rarely 100 factories in a district B 1129×25×3456.

" 4. *Rule* 4 (2) : *Marking letters for different provinces.*—In this rule the Government of India have prescribed different marking letters for different provinces. In their letter No. 13-A.B.-15, dated the 18th June, 1925 (copy appended)* the Karachi Chamber of Commerce have suggested that a special letter ' s ' which is not given to any province may be given to Sind. The Commissioner in Sind has also supported the Chamber's proposal. The reasons urged by the Chamber are, in the opinion of the Governor in Council, cogent and I am to recommend the suggestion for the acceptance of the Government of India.

" 5. *Rule* 5 : *Marks not transferable.*—For the reasons stated in paragraph 4 of his letter No. F.I.—6861, dated the 25th June, 1925 (copy appended)* the Collector of Bombay has suggested that the following proviso may be added to the rule :—

> ' Provided, however, that when a press is transferred from one area to another or from one province to another the original allotted mark shall no longer be used and application shall be made to the prescribed authority for the allotment of a fresh mark.'

Such a proviso is, in the opinion of the Governor in Council, necessary, and I am to recommend the Collector's suggestion for the consideration of the Government of India.

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* Not Printed.

" 6. *Rule* 6.—In paragraph 6 of their letter under reply the Government of India have stated that it is obvious that each press will require to start annually a new series of serial numbers on the bales pressed in the factory, but Rule 6 does not definitely state that serial numbers should be restarted every year. The Collector of Bombay has suggested that the rule may be required to make the statement definitely. The suggestion is, in the opinion of the Governor in Council, worth considering and I am to recommend it to the Government of India.

" 7. *Marking the central hoop.*—The Superintendent of Industries, Bombay, states that the central hoop of several bales of a lot is removed to take out samples of cotton in the market and when it is removed, all the identity of such bales will be lost. He therefore suggests that all the three hoops of a bale may be stamped with the special mark. The Governor in Council considers the suggestion useful and I am to recommend it to the Government of India.

" 8. With regard to paragraph 3 of the Government of India's letter I am to say that the Governor in Council concurs in the proposal that the authority appointed by the Local Government under Section 13 (*b*) of the Act to receive returns of cotton pressed should also be made responsible for the allotment of press marks. I am to add that the Director of Agriculture is proposed to be appointed in this province as the authority referred to above.

" 9. In paragraph 8 of their letter the Government of India have asked for the opinion of this Government with regard to the classification of districts proposed by them for the purposes of the weekly report: *vide* form B appended to the rules. In reply I am to say that the reason given for this classification is, in the opinion of the Governor in Council, quite convincing and that he agrees to the classification.

" 10. With reference to paragraph 9 of the Government of India's letter, in which they have asked whether the Sind press returns could be compiled by the Director of Agriculture, Bombay, in time for their publication along with the other returns from the presidency proper, I am to say that the Governor in Council thinks that there will be no difficulty in compiling the Sind returns in time.

" 11. I am to add that every endeavour will be made by this Government to issue rules under Section 13 of the Act as early as possible after the 1st August, 1925."

Telegram from the Government of India, Department of Commerce, No. 236-C.—2, dated the 31st July 1925:—

" Rules under Section 12 Cotton Ginning and Pressing Factories Act will be finally published in *Gazette of India* 8th August. Amongst the other changes District Number has been omitted from special mark required under Rule 4 (1) to simplify mark. It has been represented Factory offices are closed on Sundays. Government of India consider proposed rules under Section 13 (*b*) should be amended to requiring returns should be for 7 days ending each Friday and posted not later following day consolidated Provincial return being despatched Director General of Commercial Intelligence by Friday next as originally proposed in paragraph 9 of my letter 20th May. Amend rules accordingly."

RESOLUTION.—The Governor in Council is pleased to approve the accompanying rules under Section 13 of the Act.

2. The Governor in Council is pleased to direct that the cotton ginning and pressing factories should be allowed to make use of vernacular forms for the purpose of Schedules A, B and C.

3. The Governor in Council is also pleased to direct that the Director of Agriculture should compile and publish weekly returns with reference to Section 5 (2) of the Cotton Ginning and Pressing Factories Act. His attention should be specially invited to Rule 5 (2) which lays down that the first weekly return shall be for the week ending the 4th September,

1925, and to the instructions in paragraph 9 of the letter from the Government of India, Department of Commerce, cited in Government Resolution No. 6389, dated the 8th June, 1925. He should be asked to supply the provincial returns direct to the Indian Central Cotton Committee and the East Indian Cotton Association in due time for publication in the *Indian Trade Journal* and to the Director-General of Commercial Intelligence and Statistics not later than the Friday following the week to which the return relates.

4. Pending further orders the Governor in Council is pleased to appointed theCollectors of Districts as the authorities for the purposes of Rules 6, 7 and 8. Their appointments should be notified in the *Bombay Government Gazette.*

5. Five copies of the rules should be forwarded to the Government of India for information.—By order, etc.,

A. H. DRACUP,
Under-Secretary to Government.

GENERAL DEPARTMENT,
BOMBAY, *25th August,* 1925.

No. 6389-A.—In exercise of the powers conferred by Section 13 of the Cotton Ginning and Pressing Factories Act, 1925 (XII of 1925), the Governor in Council is pleased to make the following rules to provide for the following matters, namely:—

1. *Short title.*—These rules may be called the Bombay Cotton Ginning and Pressing Factories Rules, 1925.

2. *Definitions.*—(1) In these rules " Act " means the Cotton Ginning and Pressing Factories Act, 1925, and " section " means a section of the said Act.

3. *Forms of Registers, etc.*—The ginning register under sub-section (1) of Section 3 shall be maintained in the form of Schedule A hereto.

(2) The press register under sub-section (2) of Section 3 shall be maintained in the form of Schedule B hereto.

(3) The weekly returns of bales of cotton pressed, under Section 5, shall be submitted in the form of Schedule C hereto.

4. *Power to examine registers.*—The District Magistrate or any officer specially empowered by the Local Government to enter and inspect cotton ginning or cotton pressing factories may, when making such inspection, examine the registers mentioned in Rule 3 and test the accuracy of the entries therein made.

5. *Returns under Section* 5.—(1) The returns under Section 5 shall be submitted to the Director of Agriculture.

(2) Such returns shall be for the seven days ending on the Friday of each week and shall be posted not later that the following day. The first return shall be for the week ending the 4th day of September, 1925.

(3) When a pressing factory finally ceases work for the season a statement to that effect shall be made in the last weekly return.

6. *Weights to be used.*—(1) All weighments of *kapas* or ginned cotton and pressed cotton shall be made in standard pounds. The actual weights used for weighment may be pounds or the following multiples of pounds:—

2, 4, 7, 14, 28, 56 and 112 pounds.

The entries in the registers of the factory and in the prescribed returns may, however, be made—

(*a*) for *kapas* or ginned cotton, in maunds or such other unit as may be in use in the district in which the factory is situate. The number of pounds in the maunds or other unit used shall in such cases be clearly entered in the register and on every return submitted;

(*b*) for pressed cotton, in bales of 392 pounds net of cotton, exclusive of packing or in bales of such other net weights as may be allowed by the persons or authorities prescribed by the Government.

(2) Only weights stamped in the manner and by the persons or authorities prescribed by the Government in this behalf shall be used in cotton ginning and cotton pressing factories.

7. *Scales to be used.*—(1) No scales or weighing apparatus shall be used in any cotton ginning or cotton pressing factory for the purpose of weighing *kapas* or ginned cotton, pressed bales or any other cotton unless they have been certified by inspectors appointed or authorized by the Government under Rule 8 and unless they are stamped by the said inspectors in the manner prescribed by the Local Government in that behalf.

(2) Every such scale or weighing apparatus shall be re-tested at least once a year by the inspectors appointed or authorized by the Government under Rule 8.

8. *Inspectors.*—(1) The inspection of scales, weighing apparatus and weights to be used in cotton ginning and cotton pressing factories shall be made by inspectors appointed or authorized by the Government for the purpose.

(2) Every such inspector shall certify or test the accuracy of every such scale, weighing apparatus or weight brought to him for certification or test. He shall also stamp the same in such manner as Government may prescribe.

9. *Owners of factories to give facilities for inspection.*—The inspectors appointed or authorized under Rule 8 shall be supplied with standard weights by the Government and every owner of a cotton ginning or cotton pressing factory shall, at all reasonable times, give every such inspector free access to all parts of his factory for the purpose of discovering or inspecting the scales, weighing apparatus and weights in use therein and comparing the weights with the standard weights supplied to the inspector.

10. *Authorities for the purposes of Sections* 8 *and* 9.—(1) The prescribed authority for the purposes of Sections 7 and 8 shall be the Collector of the district in which the factory is situated.

(2) The prescribed authority for the purpose of sub-section (1) of Section 9 shall be the inspectors of factories appointed under the Indian Factories Act, 1911, for the area in which the factory is situated.

(3) The prescribed authority for the purposes of sub-sections (2) and (4) of Section 9 shall be the Collector of Bombay.

11. *Power to enter and inspect factories.*—The District Magistrate or other officer specially empowered in this behalf by the Government may, at any time during the usual working hours, enter any cotton ginning or cotton pressing factory and may make such inspection of the premises and machinery and of any prescribed registers as he may deem necessary for the purpose of the Act and of any rules made thereunder.

12. *Press mark to be exhibited.*—The owner of every pressing factory shall exhibit in a conspicuous place a notice showing the mark allotted to the factory under Section 12 of the Act.

SCHEDULE A.

Ginning Register.

Name of Factory ..... Name and address of Owner. ..... Name of Registered Lessee (if any). ..... Year. ..... Month. .....

Name of owner of *kapas*.	Quantity (by weight) of *kapas* or ginned cotton.		Dates on which ginned.	Remarks (if any.)	Signature of owner or person in charge of the Factory.
	Kapas.	Cotton.			

SCHEDULE B.

Press Register.

Name of Factory..... Name of Owner..... Name of Lessee (if any)..... Press Mark.....

Date.			Serial numbers of the bales.	Name of person for whom pressed.	(In these columns may be entered the weights of the bales, average weights, etc., to facilitate the preparation of the returns under Section 5.)	Singature of owner or person in charge of the Factory.
Year.	Month.	Day.				

SCHEDULE C.

Return of cotton pressed for the week ending.....19 .

[Return under Section 5 of the Cotton Ginning and Pressing Factories Act.]

Name of Pressing Factory. ..... Name of Owner ..... Name of Registered Lessee (if any) ..... Press Mark .....

Correct Postal Address of Factory .....

Number of bales pressed during the week.	Average nett weight per bale in lbs. avoirdupois.	Number of bales pressed since the commencement of the season (*i.e.*, since September 1st, 19) to the end of the week.	Remarks (if any.)

Signature of owner or person in charge.

GENERAL DEPARTMENT,
BOMBAY, *25th August*, 1925.

No. 6389-B.—For the purposes of Section 5 of the Cotton Ginning and Pressing Factories Act, 1925 (XII of 1925), the Governor in Council is pleased to direct that the " season " shall commence on the first day of September in each year.—By order, etc.,

A. MASTER,
Joint Secretary to Government.

GENERAL DEPARTMENT,
BOMBAY, *25th August*, 1925.

No. 6389-C.—The Governor in Council is pleased to appoint the Collectors of districts to be the Inspectors for the purposes of Rules 6, 7 and 8 of the Bombay Cotton Ginning and Pressing Factories Rules, 1925.—By order, etc.,

A. MASTER,
Joint Secretary to Government.

INDIAN CENTRAL COTTON COMMITTEE.

Authorities Appointed under Various Sections of the Cotton Ginning and Pressing Factories Act.

Section of Act.	Purpose.	AUTHORITIES APPOINTED.							
		Madras.	Bombay.	Bengal.	United Provinces.	Punjab.	Central Provinces.	Berar.	Delhi.
5 ..	Statistical Returns and allotment of Press Marks.	Director of Agriculture.	Director of Agriculture.	Chief Inspector of Factories.	Director of Agriculture.	Director of Agriculture.	Director of Industries.	Director of Industries, Central Provinces.	Industrial Surveyor.
6 By rules under the section.	Inspection of weights.	A District Magistrate or other officer specially empowered.	Inspectors authorised for the purpose by Government.	A District Magistrate or Inspector of Factories or officer specially empowered	Chief Inspector of Factories or Inspector of Factories under orders of Chief Inspector.	The Factory Inspector.	District Magistrate, Sub-Divisional Magistrate & Inspector of Factories.	District Magistrate, Sub-Divisional Magistrate & Inspector of Factories.	(None).
7 & 8 ..	Registration of leases.	The Collector of the District.	The Collector of the District.	The Chief Inspector of Factories.	The Collector of the District.	The Deputy Commissioner of the District	Director of Industries.	Director of Industries.	Deputy Commissioner of Delhi.
9 (1) ..	To approve plans of new ginning factories.	The Commissioner of Labour, Madras.	Inspectors of Factories.	The Chief Inspector of Factories.	The Chief Inspector of Factories.	The Chairman of the Provincial Cotton Committee.	Director of Industries.	Director of Industries.	Deputy Commissioner of Delhi.
9 (2) ..	Paving of Press Houses.	The Collector of the District.	The Collector of Bombay.	The Chief Inspector of Factories.	The Collector of the District.	The Deputy Commissioner of the District	Inspector of Factories.	Inspector of Factories.	Deputy Commissioner of Delhi.
9 (4). ..	Issue of orders requiring work to stop where Section 9 (1) or 9 (2) have not been complied with.	The Collector of the District.	The Collector of Bombay.	The Chief Inspector of Factories.	The Collector of the District.	The Deputy Commissioner of the District	Inspector of Factories.	Inspector of Factories.	Deputy Commissioner of Delhi.

APPENDIX 6.

THE BOMBAY SMOKE NUISANCES ACT, 1912.

Extract from the "Bombay Government Gazette," dated 6th May, 1925.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR OF BOMBAY.

The following Bill is published under Rule 18 of the Bombay Legislative Council Rules :—

BILL NO. XI OF 1925.

A Bill further to amend the Bombay Smoke Nuisances Act, 1912.

Whereas it is expedient further to amend the Bombay Smoke Nuisances Act, 1912, in manner, hereinafter appearing ; It is hereby enacted as follows :—

Bom. VII of 1912.

Short title.

1. This Act may be called the Bombay Smoke Nuisances (Amendment,) Act of 1912.

New Section 14.

2. After Section 13 of the Bombay Smoke Nuisances Act, 1912, the following section shall be inserted, namely :—

Bom. VII of 1912.

Cost of the administration.

"14. The cost of the administration of this Act shall be recovered by Government from the municipalities, district local boards and notified areas committees within whose respective areas the Act is in operation, in such proportion and in such manner as Government may, from time to time, direct."

STATEMENT OF OBJECTS AND REASONS.

The cost of the administration of the Bombay Smoke Nuisances Act, 1912, is at present borne by the general revenues. The Retrenchment Committee has recommended that this cost should be borne by the municipalities and other local bodies concerned. It is the duty of such bodies to provide for the abatement of nuisances generally and smoke nuisance in particular, affecting as it does the health and comfort of persons residing within their respective areas.

2. The amendment of the Act now proposed will empower Government to levy the cost of the administration on the municipalities, district local boards and notified areas committees of cities and areas to which this Act has been extended, and which are now benefiting at public expense.

(Sd.) COWASJI JEHANGIR (Junior).
By order of His Excellency the Governor,
N. J. WADIA,
Acting Secretary to the Government of Bombay.

12th February, 1925.

No. 679/93 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *21st May*, 1925.

THE ACTING SECRETARY TO THE GOVERNMENT OF BOMBAY,
LEGAL DEPARTMENT, BOMBAY.

SIR,

Under directions from the Committee of the Bombay Millowners' Association, I have the honour to address you on the Bill further to amend the Bombay Smoke Nuisances Act, 1912, published in the *Bombay Government Gazette*, dated 6th May, 1925.

2. My Committee have no objection to the cost of the administration of the Bombay Smoke Nuisances Act being transferred to municipalities, provided this transference of costs does not imply transference of control and management of the Department at a future date. It is my Committee's considered opinion that the control and management of the department should remain vested in Government as at present, for the transference thereof to the municipalities will have very prejudicial effects on the hitherto efficient and smooth working of the Department. My Committee will therefore value an assurance from Government that under no circumstances will the control and management of the Department be transferred to municipalities.

3. Secondly, I am directed to request Government to ensure that the transference of the costs of running the Department to the municipalities will not lead the latter to levy fresh taxation on the industries. Government are no doubt aware that the cotton mill industry has been now taxed to its farthest limits, and it most urgently stands in need of substantial relief if it is not to be permanently crippled. My Committee will be pleased to know what steps Government propose to take in order to prevent Municipalities from passing on to industries the costs proposed to be imposed on them by the Bill under consideration.

4. In conclusion, I am directed to remind Government that in 1923 the schedule of fees for inspection of boilers was revised, and the new rates represented an advance of from 50 per cent. to 75 per cent. on the fees previously charged. My Committee did not object to this increase in rates as they were given to understand that the increase had become necessary in order to make the Steam Boiler and Smoke Nuisances Inspection Departments self-supporting. If, however, the Bill under consideration is passed by the Legislative Council, Government will be making a very substantial saving and my Committee respectfully submit that there will no longer be any necessity for keeping the boiler inspection fees at their present level. My Committee, therefore, trust that in the event of the Bill under consideration being passed, Government will take the necessary measures for reducing the boiler inspection fees.—I have, etc.,

J. P. WADIA,
Acting Secretary.

No. 5467/8144/D.

GENERAL DEPARTMENT,
BOMBAY, *2nd July*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Amendment of the Bombay Smoke Nuisances Act with a view to Levying the Cost of its Administration from the Municipalities Concerned.*

SIR,

I am directed by the Governor in Council to reply to your Association's letter No. 679/93, dated the 21st May, 1925, in which they desire information as to—

(*i*) whether the control and management of the Smoke Nuisances Department will be transferred to municipalities;

(*ii*) whether the transference of the cost of running the Department to municipalities will lead the latter to levy fresh taxation on industries; and

(*iii*) whether Government intend making a corresponding reduction in boiler fees.

2. With regard to point (*i*) I am to say that as the Bombay Smoke Nuisances Act is at present a Reserved Subject, its administration cannot be transferred to municipalities. With regard to point (*ii*) Government regret that they are unable to give an assurance that municipalities will not pass on their share of the cost of working the Department to the industries concerned. Since these bodies will be required to meet the cost of administration

it is possible that they might do so by imposing additional taxation. I may, however, invite the Association's attention to the fact that the total cost to be recovered from all the municipalities concerned in the Presidency for the working of the Act is in the vicinity of Rs. 41,100 only. With regard to the point (*iii*) above I am to say that a reduction in boiler fees is possible if the cost of the Bombay Smoke Nuisances Department could be recovered from the municipalities, but it will be premature to consider this point until the Act is passed and is put into operation.—I have, etc.,

Sd. (ILLEGIBLE)
for *Secretary to the Government of Bombay,*
General Department.

APPENDIX 7.

THE SIXTH INTERNATIONAL LABOUR CONFERENCE.

No. 5131/11823/D.

GENERAL DEPARTMENT,
BOMBAY, *28th November*, 1924.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed by the Governor in Council to forward herewith a copy of this Government Resolution No. 5131, dated the 20th November, 1924, and accompaniment, regarding the Draft Conventions and Recommendations adopted by the Sixth International Labour Conference and to request that you will be so good as to favour Government with the opinion of your Association on the Draft Conventions and Recommendations not later than the 15th January, 1925.—I have, etc.,

R. F. GORVALA,
for *Deputy Secretary to the Government of Bombay,*
General Department.

GOVERNMENT OF BOMBAY.

GENERAL DEPARTMENT.

Resolution No. 5131.

BOMBAY, *20th November*, 1924.

Labour Conference—The Sixth International.

Letter from the Government of India, Department of Industries and Labour, No. L-1248, dated the 23rd October, 1924:—

" I am directed to address you regarding the conclusions reached by the Sixth International Labour Conference, which met at Geneva in June 1924.

" 2. The formal items on the agenda were four in number, *viz* :—

I. Development of facilities for the utilization of workers' leisure.

II. Equality of treatment for national and foreign workers as regards Workmen's Compensation for accidents.

III. Weekly suspension of work for twenty-four hours in glass manufacturing processes where tank furnaces are used.

IV. Night work in bakeries.

" 3. On considering the first item, the Conference formally adopted the Recommendation appended to this letter (Appendix I); and, in accordance with the provisions of Article 405 of the Treaty of Versailles, I am to forward it, for the consideration of the Local Government. While it contains nothing to which objection can be taken on grounds of principle, the Government of India doubt if it will assist in any appreciable degree in furthering the ends which the Conference had in view. But Local Governments may be able to extract some guidance from it in dealing with various questions of social administration as they arise.

" 4. In dealing with the other three items, the Conference followed a new method, by which Draft Conventions and a Recommendation were provisionally approved, and postponed for a second reading to the next Conference, when the final votes will be taken. This procedure renders it possible for the various countries to give fuller consideration to any proposals that may be made and to ensure that their delegates will have full instructions before the final votes are recorded.

" 5. On the subject of equality of treatment for national and foreign workers as regards workmen's compensation, the Conference adopted provisionally both a Draft Convention and a Recommendation (Appendices II and III). In the discussion of the Draft Convention the main controversy centred round the question whether or not it should be obligatory to extend equality of treatment to nationals of those States which have no legislation for workmen's compensation. The Indian Workmen's Compensation Act makes no discrimination between nationals and aliens in respect of compensation, and there appears to be no objection to the acceptance of the general principle by the Indian Government. The first part of the Recommendation is supplementary to the first paragraph of Article 1 of the Convention and has little application to Indian conditions. Owing to the geographical isolation of India, there should be few cases in which payments of compensation have to be made under the Indian Act to persons who are not resident in the country, and it appears to be unlikely that special arrangements will be necessary for such cases. The second part of the Recommendation does not apply to India. It would appear, therefore, that with a possible modification at the end of Article 1 of the Convention which would make it clear that special arrangements need only be made where required, the Convention and the Recommendation might be approved by the representatives of the Indian Government.

" 6. On the question of suspension of the work in glass factories, a Draft Convention (Appendix IV) was provisionally adopted. The subject proved to be a most contentious one, and it is not improbable that the Convention now suggested will fail to receive a sufficient majority on the final vote. A considerable section of the Committee which framed the Convention were in favour of a Recommendation, and the Draft Convention finally put forward, which was in the nature of a compromise, did not appear to give satisfaction to any of the parties concerned. The main difficulty arose from the fact that the glass industry is passing through a period of transition. Automatic machines have been perfected and introduced in a large number of factories, while at the same time the majority of factories still employ the older process. The Government of India do not know if tank furnaces are used in Indian glass factories ; this is a point on which they would be glad to have information. I am also to request the views of the Local Government on the possibility of the ratification of the Convention by India. Such a step would involve the application of the terms of the Convention, not merely to any glass factories now using tank furnaces but to factories which may adopt this process in future.

" 7. The question of night work in bakeries proved to be equally controversial. The Committee which considered the subject was acutely divided and after a number of amendments moved in the full Conference had been rejected, several Government representatives made declarations reserving the right of their respective Governments to reconsider the position before the final vote is taken. The main subject of controversy was the application

of the Convention to bakers who do not employ any operatives and carry on the work themselves. The Convention (Appendix V) as it at present stands includes such persons and an amendment proposed by the British Government representatives which would have altered the position was rejected by a majority of two votes. The Convention contains a special provision designed to meet the case of tropical countries. I am to request that the question of the general application of the Convention in India may be examined. As it is at present drafted, it apparently covers a large number of small bakers, and possibly a number of confectioners. The Government of India have little information regarding the conditions of work in such occupations, and the extent to which the hours of work at present are in conflict with the terms of the Convention. This is a point on which I am to request that information may be furnished. In examining the Convention, special attention should be given to the first part of Article 5, which embodies a principle of general application. In order to make ratification of a Convention possible, it is not sufficient that the prevailing conditions should involve no infringement of provisions of the Convention: infringements must be prevented by legal enactments and these enactments must be effectively enforced.

"8. To sum up, I am to request that the three Draft Conventions and the Recommendation contained in Appendices II to V may be examined with special reference to local conditions, and that the Government of India may kindly be furnished with information regarding the facts and advice regarding the attitude which their delegates should adopt at the ensuing Conference on these proposals. While the vote of a delegate in favour of a Convention does not legally commit his Government to ratify the Convention, it creates a certain moral obligation, and it is undesirable that the Indian Government's delegates should give their support to a Convention which India will subsequently be unable to ratify. It is possible, moreover, that further amendments will be proposed on these subjects at the next Conference, and it is advisable that the delegates should be in possession of as full information as possible in order to enable them to take steps to safeguard the Indian interests concerned. I am to request that a reply may be sent to this letter before 1st March, 1925."

Resolution.—Copies of the letter from the Government of India and accompaniment should be forwarded to the Millowners' Associations, Bombay and Ahmedabad, etc., etc., and they should be requested to favour Government with their views on the Draft Conventions and Recommendations adopted by the Sixth International Labour Conference before the 15th January, 1925, at the latest.—By order, etc.,

H. D. BASKERVILLE,
Deputy Secretary to Government.

APPENDIX I.

Recommendation Concerning the Development of Facilities for the Utilisation of Workers' Spare Time.

The General Conference of the International Labour Organisation of the League of Nations, having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Sixth Session on 16th June, 1924, and having decided upon the adoption of certain proposals with regard to the development of facilities for the utilisation of workers' leisure, the first item in the agenda of the session, and having determined that these proposals should take the form of a Recommendation, adopts, this fifth day of July of the year one thousand nine hundred and twenty-four, the following Recommendation, to be submitted to the Members of the International Labour Organisation for consideration with a view to effect being given to it by national legislation or otherwise, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace:

Whereas in adopting at its First Session, held at Washington, a Convention on hours of work, the General Conference of the International Labour Organisation had as one of its principal aims to secure for workers, beyond the necessary hours for sleep, an adequate period during which such workers could do as they please, or, in other words, an adequate period of spare time; and

Whereas during such spare time workers have the opportunity of developing freely, according to their individual tastes, their physical, intellectual and moral powers, and such development is of great value from the point of view of the progress of civilisation ; and

Whereas a well-directed use of this spare time, by affording to the worker the means for pursuing more varied interests, and by securing relaxation from the strain placed upon him by his ordinary work, may even increase the productive capacity of the worker and increase his output, and may thus help to obtain a maximum of efficiency from the eight-hour day ; and

Whereas while giving full weight to the customs prevalent in the different countries and to local circumstances, it may nevertheless be useful to lay down the principles and methods which at the present time seem generally best adapted to secure the best use of periods of spare time, and it may also be instructive to make known for the benefit of all countries what has been done in this direction ; and

Whereas the value of this information is particularly great at the moment when the ratification of the Convention on hours of work is being considered by the Members of the International Labour Organisation ;—

The General Conference makes the recommendations hereinafter appearing :

I.—*Preservation of Spare Time.*

Whereas it is agreed that in countries where limitations have been placed on hours of work by law, by collective agreement or otherwise, if all the benefits which may be expected from such measures are to be secured both for the wage-earners and for the community, steps must be taken to ensure that the workers shall have the undiminished enjoyment of the hours of spare time so secured to them as aforesaid ; and

Whereas it is important that, on the one hand, the workers should fully appreciate the value of the periods of spare time which have been secured to them and should do their utmost, in all circumstances, to prevent this spare time from being encroached upon, and, on the other hand, that employers should always aim at establishing wages corresponding sufficiently with the needs of the workers to make it unnecessary for them to have recourse during their periods of spare time to additional hours of paid work ; and

Whereas prohibitions against the continuance of paid work in their own occupation, for the same or another employer, in excess of the legal working day, are recognised as being difficult to enforce, and may even, at times, seem to infringe the workers' right of using their periods of spare time as they choose, the Conference nevertheless considers that attention should be drawn to the steps which have been taken in this direction in a number of countries ;

The Conference recommends that Governments should encourage and facilitate the conclusion of collective agreements which will ensure a normal standard of living to workers in exchange for the legal hours of work, and which will determine, by voluntary agreement between employers and workers, the measures to be taken to prevent workers from having recourse to additional paid work.

And whereas it is agreed that every facility should be given to the workers to enable them to make the best use of their periods of spare time so secured to them as aforesaid, the Conference recommends:—

(*a*) That each Member, whilst having due regard to the requirements of different industries, local customs, and the varying capacities and habits of the different kinds of workers, should consider the means of so arranging the working day as to make the periods of spare time as continuous as possible ;

(*b*) That by means of a well-conceived transport system and by affording special facilities in regard to fares and time-tables, workers should be enabled to reduce to the minimum the time spent in travelling between their homes and their work, and that employers' and workers' organisations should be extensively consulted by public transport authorities or private transport undertakings as to the best means of securing such a system.

II.—*Spare Time and Social Hygiene.*

Whereas the utilisation of the workers' periods of spare time cannot be separated from the general measures adopted by the community for promoting the health and welfare of all classes of society, the Conference, without attempting to examine in detail each of the great welfare problems, the solution of which would contribute to improving the workers' status, recommends to the Members :—

(*a*) The encouragement of individual hygiene by the provision of public baths, swimming pools, etc. ;

(*b*) Legislative or private action against the misuse of alcohol, against tuberculosis, venereal disease and gambling.

III.—*Housing Policy.*

Whereas it is of advantage to the workers and to the whole community to encourage everything tending to the harmonious development of the worker's family life ; and

Whereas the most effective means of protecting the workers from the aforesaid dangers is to place within their reach a proper home ;

The Conference recommends the increase in number, if necessary in co-operation with the national or local authorities concerned, of healthy dwellings at low rentals in garden cities or urban communities, under proper conditions of health and comfort.

IV.—*Institutions for the Utilisation of Spare Time.*

Without attempting to differentiate between the innumerable institutions which afford to the workers opportunities for the free exercise of their personal tastes, the development of which is dependent on the manners and customs of each country or district, the Conference nevertheless draws the attention of the Members to the necessity of avoiding misplaced activities resulting from the establishment of institutions not called for by some well-defined need. The Conference desires to emphasize the importance of taking into account in the establishment and development of these institutions, the desires, the tastes and the special requirements of the workers for whose use they are designed ;

At the same time, among the institutions which may both assist full and harmonious development of the individual and of the family and contribute to the general progress of the community, the Conference recommends those schemes which have for their object :

(*a*) the improvement of the workers' domestic economy and family life (gardens, allotments, poultry keeping, etc.) which combine the benefits of recreation with the feeling that some addition, however slight, is being made to the family resources ;

(*b*) the development of the physical health and strength of the workers by means of games and sports which enable young workers who are working under the highly specialised conditions prevalent in modern industry to give free play to their energies in a manner which encourages initiative and the spirit of emulation ;

(*c*) the extension of technical, domestic and general education (libraries, reading-rooms, lectures, technical and general courses, etc.) which meets one of the workers' most keenly felt needs and affords the best means of progress to industrial communities.

The Conference further recommends that Members should encourage these forms of activity by the grant of subventions to organisations concerned with the moral, intellectual and physical development of the workers:

V.—*Free Use of Institutions and Co-ordination of Local Action.*

Whereas for many years past the workers in the great industrial countries have always sought to ensure that they may live their lives outside the factory or workshop in complete freedom and independence, and they particularly resent any outside interference in their private affairs, and this feeling is so strong as to provoke opposition to any attempts to deal, either nationally or internationally, with the question of the use of spare time for fear that it may possibly restrain their liberty ; and

Whereas the Conference, while expressing appreciation of the motives which have led to the creation of institutions for the encouragement of the wise use of the spare time of the workers, suggests that Members should draw the attention of the promoters of such institutions to the necessity of safeguarding the individual freedom of the workers against any system or scheme which has any tendency towards compelling the workers directly or indirectly to use any particular institution ; and

Whereas the most practical and successful institutions are those which have been started and developed by the beneficiaries themselves, the Conference, while recognising that in many cases where public authorities or employers lend financial or other assistance for the encouragement of allotments, games or educational institutions, and consequently have a legitimate claim to take part in their management, recommends that every care should be taken to avoid any encroachment on the liberty of those for whose use such institutions are intended.

While not contemplating any systematic organisation of spare time occupations, but having in mind a number of successful efforts made to assist them, the Conference further recommends that each Member should consider the possibility of promoting the formation of district or local committees, composed of representatives of the public authorities, of employers' and workers' organisations, and of co-operative associations, for co-ordinating and harmonising the activities of the various institutions providing means of recreation.

The Conference further recommends to the Members that an active and effective propaganda should be undertaken in each country for the purpose of educating opinion in favour of the proper use of the spare time of the workers.

APPENDIX II.

Proposed Draft Convention Concerning Equality of Treatment for National and Foreign Workers as regards Workmen's Compensation for Accidents.

Article 1.

Each Member of the International Labour Organisation which ratifies this Convention undertakes to grant to workers who are nationals of any other Member which shall have ratified the Convention, and who suffer personal injury by an industrial accident happening in its territory, or to the representatives of such workers, the same treatment in respect of workmen's compensation as it grants to its own nationals.

This equality of treatment shall be guaranteed to foreign workers and their representatives without any condition as to residence : with regard to the payments which a Member would have to make outside its territory in the application of this principle, special arrangements shall be made between the Members concerned regarding the measures to be adopted.

Article 2.

Special agreements may be made between the Members concerned to provide that compensation for industrial accidents happening to workers whilst temporarily or intermittently employed in the territory of one Member on behalf of an undertaking situated in the territory of another Member shall be governed by the laws and regulations of the second Member.

Article 3.

The Members who ratify this Convention and who do not already possess a system (whether by insurance or otherwise) of workmen's compensation for accidents agree to institute such a system within a period of three years from the date of ratification.

Article 4.

The Members who ratify this Convention further undertake to afford each other mutual assistance with a view to facilitating the application of the Convention and the execution of their respective laws and regulations on workmen's compensation, and to inform the International Labour Office, which shall acquaint the other Members concerned, of any modifications in the laws and regulations in force on workmen's compensation.

APPENDIX III.

Proposed Recommendation Concerning Equality of Treatment for National and Foreign Workers as regards Workmen's Compensation for Accidents.

I.

In order to facilitate the application of the Draft Convention concerning equality of treatment for national and foreign workers as regards workmen's compensation for accidents, the Conference recommends that :

(*a*) When a person to whom compensation is due under the laws and regulations of one Member resides in the territory of another Member, the necessary measures be taken to facilitate the payment of such compensation and to ensure the observance of the conditions governing such payment laid down by the said laws and regulations ;

(*b*) In case of dispute concerning the non-payment, cessation of payment, or reduction of the compensation due to a person residing elsewhere than in the territory of the Member where his claim to compensation originated, facilities be afforded for taking proceedings in the competent courts of law in this country without requiring the attendance of the person concerned ;

(*c*) Any advantage in respect of exemption from duties and taxes, free issue of official documents or other privilege granted by the law of each Member for any purposes connected with workmen's compensation be extended under the same conditions to the subjects of the other Members who shall have ratified the Convention.

II.

The Conference recommends that, where in any country there exists no system (whether by insurance or otherwise) of workmen's compensation for accidents, the Government shall, pending the institution of such a system, afford facilities to alien workers to benefit by the legislation on workmen's compensation in their own countries.

Appendix IV.

Proposed Draft Convention Concerning the Weekly Suspension of Work for Twenty-four Hours in Glass Manufacturing Processes where Tank Furnaces are used.

Article 1.

Work shall be suspended for twenty-four consecutive hours per week in glass manufacturing processes where tank furnaces are used subject to the conditions and exceptions laid down in the following Articles.

Article 2.

Work shall in principle be suspended on Sunday or any other day already established by the legislation, the traditions or customs of the country or district.

Article 3.

Exceptions to the provisions of the foregoing Articles may be authorised by each Member for the following work:

(1) Work which must necessarily be carried on continuously for technical or economic reasons;

(2) Preparatory, complementary, or repair work which must be carried out during the absence of the staff in order to secure the normal conduct of the undertaking on working days.

Article 4.

A list of the classes of work referred to in Article 3 shall be drawn up by the competent authority of each Member after consultation with the responsible associations of employers and workers, wherever such exist, and shall be communicated to the International Labour Office.

The list shall be accompanied by a statement of the grounds on which each class of work is included.

Article 5.

If a revision of the list referred to in Article 4 shall have been necessitated by subsequent modifications in technical processes or the organisation of work in the glass industry, the Member concerned shall, in the annual report which it submits in accordance with Article 408 of the Treaty of Versailles and the corresponding Articles of the other Treaties of Peace, inform the International Labour Office of the changes made in this list, and state the reasons for which they have been made.

Article 6.

Workers employed on work authorised during the general rest period shall be granted individually or in shifts a weekly rest of at least twenty-four consecutive hours, in conformity with the provisions of the Convention of 1921 concerning the weekly rest in industrial undertakings.

Article 7.

Temporary exceptions to the provisions of Articles 1 and 2 may be allowed in case of accidents, actual or threatened, or in case of urgent work to be done to machinery or plant, or in case of *force majeure*, but only so far as may be necessary to avoid serious interference with the ordinary working of the undertaking.

The employer shall inform the competent authorities in all cases in which he shall have made use of the temporary exceptions provided for above.

APPENDIX V.

Proposed Draft Convention on Night Work in Bakeries.

Article 1.

Subject to the exceptions hereinafter provided, the making of bread, pastry or other flour confectionery during the night is forbidden.

The prohibition applies to the work of all persons, including proprietors as well as workers, engaged in the making of such products; but it does not apply to work which is done by members of the same family for their own consumption.

This Convention has no application to the wholesale manufacture of biscuits.

Article 2.

For the purpose of this Convention, the term night signifies a period of at least seven consecutive hours. The beginning and end of this period shall be fixed by the competent authority in each country after consultation with the organisations of employers and workers concerned, and the period shall include the interval between eleven o'clock in the evening and five o'clock in the morning; when it is required by the climate or season, the interval between ten o'clock in the evening and four o'clock in the morning may be substituted for the interval between eleven o'clock in the evening and five o'clock in the morning.

Article 3.

After consultation with the employers' and the workers' organisations concerned the competent authority in each country may make regulations to determine:—

(*a*) The permanent exceptions necessary for the execution of preparatory or complementary work as far as it must necessarily be carried on outside the normal hours of work, provided that no more than the strictly necessary number of workers and no young persons under the age of eighteen shall be employed in such work.

(*b*) The permanent exceptions necessary for requirements arising from the particular circumstances of the baking industry in tropical countries.

(*c*) The permanent exceptions necessary for the arrangement of the weekly rest.

(*d*) The temporary exceptions necessary to enable an undertaking to deal with unusual pressure of work or national necessities.

Article 4.

Exceptions may be made to the provisions of Article 1 in case of accident, actual or threatened, or in case of urgent work to be done to machinery or plant, or in case of *force majeure*, but only so far as may be necessary to avoid serious interference with the ordinary working of the undertaking.

Article 5.

Each Member which ratifies this Convention shall take appropriate measures to ensure that the prohibition prescribed in Article 1 is effectively enforced, and shall enable the employers, the workers, and their respective organisations to co-operate in such measures in conformity with the Recommendation adopted by the International Labour Conference at its Fifth Session (1923).*

Article 6.

The provisions of this Convention shall not take effect until 1st January, 1927.

*See Appendix to Department of Industries and Labour letter No. L.-1166 of 17th March, 1924 for the text of this Recommendation; the reference here is particularly to paragraphs 19 and 20 of the Recommendation.

No. 5131-11823/D.

GENERAL DEPARTMENT.,
BOMBAY, *6th December*, 1924.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT :—*Sixth International Labour Conference.*

SIR,

With reference to Government letter No. 5131-11823/D, dated the 28th November, 1924, requesting you to favour Government with the opinion of your Association not later than the 15th January, 1925, on the Draft Convention and Recommendations of the Sixth International Labour Conference, I am directed by the Governor in Council to request that your replies may be forwarded to Government through the Director, Labour Office, Bombay.—I have, etc.,

R. F. GORVALA,
for *Deputy Secretary to the Government of Bombay,*
General Department.

No. 227/59 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *7th February*, 1925.

THE DEPUTY SECRETARY TO THE GOVERNMENT OF BOMBAY,
GENERAL DEPARTMENT, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter dated the 28th November, 1924, and accompaniments on the subject of the Draft Conventions and Recommendations proposed for adoption by the Sixth International Labour Conference, and have pleasure to submit below my Committee's views thereon.

Recommendations Concerning the Development of Facilities for the Utilisation of Workers' Leisure.

My Committee heartily approve the intention which this recommendation obviously has in view, but at this stage of India's industrial development would deprecate any attempt to give effect to the recommendation as a whole by means of legislation. It is stated in Appendix I that the recommendation is in the nature of a corollary to the Washington Hours of Labour Convention, but it should be apparent to the Government of India that a great many of the suggested facilities are unsuitable for adoption in countries like India, where the industrial population is almost wholly illiterate and to a large extent unorganised. The recommendations are perhaps helpful inasmuch as they put before us an ideal to be attained by a gradual process of education, but my Committee are strongly of opinion that the industrial population of India will not for many years to come arrive within measurable distance of the industrial countries of the West in regard to appreciating facilities of the type enumerated in the recommendation. It would be idle for Government to adopt the recommendation in its present form, and in their reply to the International Labour Office my Committee consider that it would be desirable to agree to the main principle of the recommendation, to point out the unsuitability of many portions of the recommendation as far as India is concerned, taking into consideration the stage of her industrial development and the illiteracy of the working population ; and to call attention to the willingness of the Government and employers to improve the facilities for the utilisation of hours of leisure at present given to the workers in the manner best suited to the special needs of the country.

II. Equality of Treatment for National and Foreign Workers as regards Workmen's Compensation for Accidents.

As far as my Committee can see there would appear to be no insuperable difficulties in the way of adopting the proposed convention, and they would be pleased to endorse any action which the Government consider necessary in regard to an amendment of the Workmen's Compensation Act for the purpose of carrying out the provisions of the convention. With reference to the proposed recommendation, my Committee agree with the remarks contained in the Government of India letter L—1248.

III. Weekly Suspension of Work for Twenty-four Hours in Glass Manufacturing Processes where Tank Furnaces are used.

My Committee have not a sufficiently detailed knowledge of the glass-making industry of this country to submit a valuable opinion on this question, but in view of the fact that the Indian Factory Act provides for a weekly rest day in factories of all kinds, it would appear to be unnecessary to agree to ratify a convention the necessity for which was so hotly disputed at the last International Labour Conference.

IV. Night Work in Bakeries.

My Committee have no opinion to offer except a general one to the effect that as far as they are aware, bakeries upon a large scale are uncommon in India, and before agreeing to ratify the convention, the Government of India should make certain that the small employer will not be unduly penalised.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 8.

SEVENTH INTERNATIONAL LABOUR CONFERENCE.

No. 384.

LABOUR OFFICE, OLD CUSTOM HOUSE,
BOMBAY, *23rd January*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Seventh International Labour Conference.*

SIR,

Under instructions from the General Department of this Government, I have the honour to forward herewith a copy of the Government of India's Press *Communique* on the above subject for your information and for any action which you may care to take on para 3 of the *communique*.—I have, etc.,

L. J. SEDGWICK,
Officiating Director.

GOVERNMENT OF INDIA.

DEPARTMENT OF INDUSTRIES AND LABOUR.

DELHI, *17th December*, 1924.

Press Communique.

The Government of India have been informed that the Seventh Session of the International Labour Conference will open at Geneva on the 19th May, 1925. The formal Agenda of the Conference consists of four items :—

(1) Workmen's compensation.

(2) Equality of treatment for national and foreign workers as regards workmen's compensation for accidents (final vote on the Draft Convention and Recommendation adopted by a preliminary vote of the Conference at its Sixth Session).

(3) Weekly suspension of work for twenty-four hours in glass manufacturing processes where tank furnaces are used (final vote on the Draft Convention adopted by a preliminary vote of the Conference at its Sixth Session).

(4) Night work in bakeries (final vote on the Draft Convention adopted by a preliminary vote of the Conference at its Sixth Session).

The election of the Governing Body will also take place at this Conference.

2. Each State should be represented by four delegates of whom two will be Government representatives, one a representative of the employers, and one a representative of labour. The right of nominating all the delegates rests with the Government of India, but in selecting the delegates for employers and labour, the Government of India will attach due importance to recommendations made by organised representative associations of employers and employed.

3. All suggestions as to the nomination of non-Government delegates should reach the Secretary to the Government of India in the Department of Industries and Labour at the earliest possible date, and in any case, not later than 15th February, 1925, in order to enable Government to make the selections, to report them to the International Labour Office and to make adequate arrangements for the journey of the delegates. Allowances (on a scale which can be ascertained by application to the Department of Industries and Labour, Delhi), will be granted by Government to defray the expenses of delegates finally nominated.

A. G. CLOW,
Deputy Secretary to the Government of India.

No. 205/52 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *4th February*, 1925.

THE OFFICIATING DIRECTOR,
LABOUR OFFICE, BOMBAY.

SIR,

Under directions of the Committee of this Association, I have the honour to acknowledge the receipt of your letter No. 384, dated the 23rd January, 1925, enclosing a copy of the Government of India's Press *Communique* in connection with the Seventh Session of the International Labour Conference to be held at Geneva in May next.

Since the Annual Labour Conferences were started in 1919, Bombay and Bengal have nominated the employers' representatives alternately. According to this arrangement it would have been Bombay's turn to nominate the delegate for the next Conference. My Committee, after due consideration, have decided to waive their claim to appoint a representative this year in favour of Cawnpore, which is a rapidly growing industrial centre, and they desire that Sir Thomas Smith, Kt., Managing Director of the Muir Mills Co., Ltd., might be nominated by Government as the employers' representative at the next Conference.

My Committee trust that their suggestion will meet with the approval of the Government and they will be pleased to be acquainted as early as possible with the Government's decision in the matter.—I have, etc.,

T. MALONEY,
Secretary.

No. 206/52 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *4th February*, 1925.

THE DEPUTY SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF INDUSTRIES AND LABOUR, DELHI.

SIR,

Under directions of the Committee of this Association, I have the honour to address you on the subject of the Press *Communique* dated the 17th December, 1924, in connection with the Seventh Session of the International Labour Conference to be held at Geneva in May next.

Since the Annual Labour Conferences were started in 1919, Bombay and Bengal have nominated the employers' representative alternately. According to this arrangement it would have been Bombay's turn to nominate the delegate for the next Conference. My Committee, after due consideration, have decided to waive their claim to appoint a representative this year in favour of Cawnpore, which is a rapidly growing industrial centre, and they desire that Sir Thomas Smith, Kt., Managing Director of the Muir Mills, Co., Ltd., might be nominated by Government as the employers' representative at the next Conference.

My Committee trust that their suggestion will meet with the approval of Government and they will be pleased to be acquainted as early as possible with Government's decision in the matter.—I have, etc.,

T. MALONEY,
Secretary.

No. 885.

LABOUR OFFICE, OLD CUSTOM HOUSE,
BOMBAY, *6th January*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to acknowledge with thanks the receipt of your letter No. 205/52 of the 4th instant regarding the Seventh International Labour Conference and to say that a copy of the same has been sent to the Deputy Secretary to the Government of India, Department of Industries and Labour, Delhi.—I have, etc.,

L. J. SEDGWICK,
Officiating Director.

GOVERNMENT OF INDIA.

DEPARTMENT OF INDUSTRIES AND LABOUR.

DELHI, 19*th March*, 1925.

Resolution.

No. L-1273.—In pursuance of Article 389 of the Treaty of Versailles the Government of India hereby nominate the following officials and non-officials to represent the Government of India, the employers and the workers, respectively, at the meeting of the International Labour Conference to be held at Geneva commencing on the 19th May, 1925 :—

TO REPRESENT THE GOVERNMENT OF INDIA.

Delegates :

SIR A. C. CHATTERJEE, K.C.I.E., High Commissioner for India.

SIR L. G. KERSHAW, K.C.S.I., C.I.E., India Office, London.

Adviser :

R. N. GILCHRIST, ESQUIRE, M.A., I.E.S.

TO REPRESENT THE EMPLOYERS.

Delegate :

SIR THOMAS SMITH, Kt., V.D., Managing Director, Muir Mills Company, Limited, Cawnpore.

TO REPRESENT THE WORKERS.

Delegate :

N. M. JOSHI, ESQUIRE, M.L.A.

Adviser :

CHAMAN LAL, ESQUIRE, M.L.A.

ORDERED that this Resolution be published in the Supplement to the *Gazette of India.*

A. H. LEY,
Secretary to the Government of India.

Copy forwarded to the Secretary, Millowners' Association, Sorab House, Hornby Road, Fort, Bombay.—By order, etc.,

A. G. CLOW,
Deputy Secretary to the Government of India.

APPENDIX 9.

INTERNATIONAL LABOUR CONFERENCE.

No. T-1779.

THE INDIAN MERCHANTS' CHAMBER,
BOMBAY, 10*th December*, 1925.

THE UNDER-SECRETARY TO THE GOVERNMENT OF BOMBAY,
MARINE DEPARTMENT, BOMBAY.

SIR,

With reference to your letter No. 700/1725-M, dated 23rd October, 1925, Iam directed by my Committee to inform you that they nominate Mr. Narottam Morarji Goculdas, Chairman of the Scindia Steam Navigation Co., Ltd., as a delegate of the employers to the 8th and 9th Sessions of the International Labour Conference to be held at Geneva in 1926.—I have, etc.,

J. K. MEHTA,
Secretary.

Copy forwarded, with compliments, for information to the Secretary, the Millowners' Association, Bombay.

No. 1450/3 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19*th December*, 1925.

THE UNDER-SECRETARY TO THE GOVERNMENT OF BOMBAY,
MARINE DEPARTMENT, BOMBAY.

SIR,

I am directed to inform you that the Committee of this Association desire to support the nomination of Mr. Narottam Morarjee Goculdas as the representative on behalf of the employers of India at the next session of the International Conference.—I have, etc.,

T. MALONEY,
Secretary.

No. 1459/3 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 22*nd December*, 1925.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF INDUSTRIES AND LABOUR, DELHI.

SIR,

This Association desires to give a mandate to the delegate on behalf of the employers of this country at the next session of the International Labour Conference to put up a case regarding the very unfair nature of Japanese competition with the cotton industry of this country owing to non-ratification by Japan of the Washington Convention regarding hours of work in factories. I am therefore directed to request you kindly to furnish to the Association the name of the delegate as soon as he is nominated by Government, so that the Association may at once put itself in touch with him regarding the matter mentioned above.—I have, etc.,

T. MALONEY,
Secretary.

No. L-1177.

GOVERNMENT OF INDIA,
DEPARTMENT OF INDUSTRIES AND LABOUR,
DELHI, *6th January*, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Non-ratification by Japan of the Hours of Work Convention.*

SIR,

With reference to your letter No. 1459 of 1925, dated the 22nd December, 1925, I am directed to say that your request has been noted.—I have, etc.,

S. LALL,
Under-Secretary to the Government of India.

APPENDIX 10.

HOURS OF LABOUR IN FACTORIES IN JAPAN.

MERLEWOOD, VIRGINIA WATER,
SURREY, *9th June*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

International Labour Conference.

As desired by you, I raised at the Conference the question of the non-ratification by Japan of the Hours of Labour Convention.

Previous to doing so, the Indian delegation had a meeting with the Japanese delegation which was kindly arranged by Sir Atul Chatterjee and Sir Louis Kershaw who attended along with Mr. Joshi, Mr. Chaman Lal, Mr. Gilchrist and myself. The Japanese delegation were anxious to extend the discussion to the "scientific and economic aspects." It was difficult to get them limited to the plain question—" Did you, or did you not promise to ratify, and why have you not ratified ? "

I gave them the outline of what I intended saying, so that they might be ready with a reply at the Conference. The morning session on the 28th May was devoted to the discussion. I enclose the Provisional Record for your information. The general comment was that Japan had not been so plainly spoken to before.

I spent 14 days at the Conference, and left for Vienna on 2nd June to attend the International Cotton Conference from which I returned last night. The delegates and their wives numbered 400. The impression I gained was that the cotton industry was doing well, save in Lancashire and India.—Yours faithfully,

T. SMITH.

EIGHTH SITTING—THURSDAY, 28TH MAY, 1925, 10-30 A.M.

President: H. E. EMILIO BELLO.

MR. SUZUKI (Japan).—Mr. President and fellow delegates, with your permission I wish to raise here this morning the question of the right of association, which is mentioned on page 352 of the Director's Report. I proposed a resolution with regard to this question in the course of the Sixth Session of the Conference, and requested the Governing Body to ask the Office to undertake an enquiry into this very important issue in all the countries of Europe and Asia. The Office has kindly begun this study, and its detailed report will be forthcoming later. According to a preliminary report, the situation with regard to the right of association shows a certain progress in several States Members, but the matter still remains in a more or less unsatisfactory condition, even in some European countries. I cannot help feeling that the question is still very far from a satisfactory solution.

The exact position of the question in our country is as follows : Last year the Trade Union Bill was prepared by the Bureau of Social Affairs to be brought forward in the Diet, but for some reason it has not yet been brought forward. Consequently, the Act which prevents the development of the trade unions is still in force, as I mentioned in an explanatory statement which accompanied my resolution last year. Moreover, an Act entitled the Public Peace and Safety Act was adopted by the Diet at its last session. This legislation was enacted to punish those who denied the validity of the system of private property and tried to overthrow the foundation of our national constitution ; but one result of its application will be to prevent the development of our organised labour movement. I am sure of that from previous experience.

The present Japanese labour unions are therefore compelled to face the problem with great conviction and determination in order to obtain the successful realisation of their aims. We, the organised workers, are prepared to bring all the pressure in our power to bear upon the Japanese Diet to make it adopt the Trade Union Bill. Here lies a ray of hope for us. The right of association and combination for working people is the fundamental principle upon which depends the solution of all other important labour questions. I believe that the right of association and combination is indispensable for the complete emancipation of the working classes. We are not contented merely to appeal for fair treatment from the masters. We have the right to be treated as human beings, as has been enunciated in Article 427 of the Treaty. The workers in some countries are still far from getting their rights owing to the hindrances placed in their way. There is no need to repeat that the right of association and combination has been clearly stated in the Preamble to Part XIII of the Peace Treaty which has been ratified by the States Members, so that this question was solved a long time ago. Therefore, if any of the States Members restrain the workers' liberty and prevent the development of organisation, it may not be too much to say that it is in contravention of this declaration in the Treaty.

Now, what is freedom of association ? It does not mean simply liberty for an organisation to have its own way ; it means the recognition of the workers' social rights by the national legislation of the country. It is, therefore, quite clear that an Act tending to prevent the organisation of labour should be abolished, and all action aimed at prosecuting and disturbing the workers in their movements should be prohibited with all our power. I wish to emphasise once more that the rights of association to which the workers are entitled is really the right of existence, and that should they be deprived of it, it would mean that the workers' existence is seriously threatened. For this reason I believe that the International Labour Organisation cannot ignore the fact that the right of the workers is in perilous position in numerous eastern and western countries.

In my own country we are grateful to this International Labour Organisation for the efforts which are being made to study this question ; but at the same time I hope that a complete study of the question will be adopted as one of the items on the Agenda of the Conference in order to put the existence of the workers on a sound basis in the form of a Convention. This problem of the right of association is one of the most important matters in view of the present position.

I shall now venture to make a few remarks upon the very essential question of ratification. It was announced by the Secretary-General the day before yesterday that there are only 154 ratifications registered. Even if we add to this number the ratifications which are either authorised or recommended, the total number will be only 306. That amounts to only one-third of the total which should be obtained if the decisions of the Conference were respected and treated justly. In the course of its six sessions, the Conference has adopted altogether 16 Draft Conventions. This number, multiplied by the number of States Members of this Organisation, is more than 900. If only 300 registrations out of more than 900 ratifications which are due, is a result of the work of the Conference, I venture to say that the International Labour Organisation is in a very grave and regrettable situation. Any mechanism which has only 30 per cent. efficiency cannot be recommended as an organisation for the establishment of social justice.

However, I do not wish to criticise either the Conference for the discouraging results achieved so far, or the States Members for the failure to accept the decisions adopted at the Conference by a two-thirds majority as required by the Treaty, for I know what are their difficulties, economic, political and social. But I must insist that our Organisation is at this moment in a very critical situation. If the ratification of Conventions does not progress at a greater rate than 30 per cent. of the total, if the International Labour Conference is to secure the confidence of the working class, if the Conference is to command the respect of the world, if the Conference is to survive, I insist that every effort must be made to remedy the present situation.

Quite apart from the difficulties which are either economic, political or social, I must point out that the failure to obtain the necessary ratifications may be due in a number of cases to yet another important cause, namely, to the failure on the part of some of the States Members to submit the Draft Conventions and Recommendations of the Conference to the authority within each State which is competent to enact the legislation, in accordance with the provisions of the Treaty. In my country, for example, we have never had one of the sixteen Draft Conventions presented to the national legislature by the Japanese Government. This failure to fulfil the Treaty obligations is the fundamental cause which hinders the progress of ratification and the application of the decisions of the Conference in my country. The Japanese Government holds that the Privy Council is the competent authority in Japan, and that it is enough to submit the decisions of the Conference to this body, leaving the national legislature quite ignorant either of the proceedings or of the decisions of the Conference. There is thus a total detachment of the legislature from the affairs of the Labour Conference.

Is this in harmony with either the spirit or the letter of the Treaty? It is easy to discover that the interpretation of the Japanese Government is quite mistaken and unjustified if we read the Minutes of the Commission on International Labour Legislation at the Peace Conference. Explaining the meaning and the origin of Article 405 of the Treaty, the Chairman of the Commission, Mr. Gompers, said that it was essential for the progress of International labour legislation to require the Governments to give the national legislature the opportunity of expressing its opinion on the measures adopted by a two-thirds majority of the Labour Conference. The record of the Commission shows, furthermore, that the representative of Japan, in spite of some reservations he had made, agreed during the deliberations of the Commission that the national legislature was meant when the Commission was discussing the question of the body to which the Draft Convention should be submitted. A demand for the prolongation of the period of delay for the submission of Draft Conventions was made by the Japanese representative on the ground that the Japanese Parliament meets only once a year and that its session lasts only three months.

Mr. President, I do not wish the Conference to appear in the slightest degree to encroach upon the sovereignty of any State. The question has been put that the competent authority in a given State must be determined in the light of the constitution of the country. Nor is it my intention to question the sincerity of any Government regarding the interpretation of the Treaty which is adopted. However, what I do wish to point out is the error committed in the interpretation which is undoubtedly one of the causes of the present serious

situation of the Organisation. I will refrain from discussing the Japanese Constitution. I will raise no question as to the limits of the competence of the Privy Council, although I am personally of opinion that there is a serious danger of confusing the spirit of the Japanese Constitution if we consider the Privy Council to be the only competent authority. The Privy Council is only an advisory body for the Emperor. The Emperor may ask its opinion in the exercise of his sovereign powers, but is not bound by the opinions of this body. It is contended that the power of concluding treaties belongs in Japan to the sovereign power of the Empire, and that consequently the Government does not need to refer the decisions of the Conference to Parliament. This is precisely the point of error. The Treaty does not require the Draft Conventions and Recommendations to be submitted to the competent authority for the purpose of ratifications. Article 405 of the Treaty requires simply that they should be brought before the competent authority for legislation or other action. Therefore, the authority should be, above all, an authority for the enactment of legislation and that must be the national legislature. This can in no way conflict either with the sovereign powers or with the constitution. It may be well to regard the Privy Council as one of the competent authorities, but in so far as the Conventions embody matters which require national legislation, I must insist, voicing the public opinion of my country, that the Government is under the obligation to submit the Conventions to the national Parliament.

Now, the situation is particularly serious for the Organisation, because a similar interpretation to that of Japan is adopted elsewhere in certain important industrial countries. I declare that such a situation should not be tolerated. The Conference must, of course, respect the constitution and the sovereignty of each State ; but the States must respect the Treaty obligations, so I raise this protest in the name of social justice and appeal to the Conference for due consideration.

As regards the Washington Hours Convention, as a representative of the workers' movement of Japan, I must acknowledge with great regret and disappointment the utter failure of the Japanese Government to ratify this Convention. The fault is so self-evident that I will refrain from labouring the point ; but it seems to me that the problem of non-ratification of this important Convention has international as well as national aspects. So far as the national aspect is concerned, the organised workers of my country are fighting hard to obtain ratification. As a result of the action of our organised labour, some of the Government factories have already adopted the eight-hour day, while others are going to do so. I can assure my colleagues of the Workers' Group that we will not cease our efforts until this fight brings us victory. We all know that the Japanese Parliament has adopted universal suffrage. The electorate, which was only three millions formerly, is now extended to include no less than twelve million people. We workers of Japan will take full advantage of this situation and will endeavour to bring about the speedy ratification of the Washington Convention. Moreover, I can assure you that I will not be content even after the ratification of the Convention, as long as it contains a special clause for Japan. The eight-hour day figures foremost in the programme of all workers' unions in Japan, and it is the aspiration of the Japanese working class itself. We are demanding at our May Day demonstrations, and at every opportunity, the application of the eight-hour day in all factories throughout our country on a basis equal to that of the advanced countries. I thank you.

MR. JOSHI (India) :—Mr. President and brother delegates, in the few remarks that I propose to address to the Conference this morning, I wish to confine myself to questions concerning the special countries, the colonies, protectorates and mandated territories.

I greatly admire the work done by the International Labour Conference and the International Labour Organisation for improving labour conditions throughout the world, especially in Europe. I also fully appreciate the difficulties in the way of accomplishing the object with which this Organisation was started. The enthusiasm, which we saw at Washington, for improving conditions of labour, is decreasing year after year. I also fully appreciate the fact that, in spite of the difficulties, the workers in India have derived at least some benefit from the action of the International Labour Conference, and of the International Labour Organisation. But, as one who has watched the activities of the International Labour Conference and of the International Labour Organisation for the past six years, an

impression is being left on my mind that the interests of the special countries, of the colonies, protectorates, and the mandated territories are not properly looked after by this Organisation. I feel that questions concerning these countries do not receive the same attention in this Conference as questions which affect the European workers. I do not propose to absolve even the members of the Workers' Group from this charge, in spite of notice, questions relating to the special countries have been relegated practically to the last day of the discussion on the Director's Report, is a point in favour of my statement.

But Sir, I was very glad to read in the Director's Report at least a few paragraphs regarding these territories. Although I was very glad to find that the Director had given some attention to the question, I was disappointed in reading the contents of these paragraphs. Most of the Governments which are responsible for the government of the colonies, the protectorates, and the mandated territories, state in their report to the Office either that they are still enquiring into the problem, or that the Conventions and Recommendations cannot be applied to these territories. It is now more than six years since the Washington Conference was held, and since the important Conventions regarding hours of work and other questions were passed. If these Governments could not come to a decision in six years, I do not know how much more time they want in order to consider these questions.

Where they have considered these questions, most of the Governments state that the conditions of the colonies, protectorates, and mandated territories are so different from their own that the Convention and Recommendations cannot be applied to them. I want to know, Sir, how conditions in these territories are different. Is anyone prepared to say that, simply because the climate of some countries is hotter than the climate of Europe, the workers in these territories can work longer hours without any detriment to their health ? Is anyone prepared to say here that, simply because the climate of a territory is hotter than that of Europe, women do not require to be helped during the period of child-birth ?

I do not therefore understand those people who say, that conditions in colonies, protectorates, and mandated territories are different, and that the Conventions and Recommendations cannot be applied to them.

I wish particularly to point out that in India one-third of our territory is ruled by Indian Princes. These Indian Princes are represented by members of their own class in the Assembly of the League of Nations. They are not represented in this Conference. Perhaps they do not care to attend this Conference ; but I want to know from the Director of the International Labour Office whether he has taken any steps to ask the Government of India for any report concerning the application of the Conventions and Recommendations in these protectorates, namely, the Indian States. It is a matter of great regret that one-third of India should not reap the benefit of Conventions and Recommendations passed in this Conference. Already I find that some of our capitalists are starting factories in Indian States, in order that they may be free from any regulations regarding hours of work and other labour questions. This is a very important question from the point of view of the Indian workers.

I should also like to know who in this Conference represents workers in the colonies, protectorates and mandated territories. Does my friend Mr. Poulton represent the workers in Ceylon, Malaya, the Straits Settlements, Mauritius and other colonies ? Does the Dutch Workers' Delegate represent the workers in Java ? If the workers in colonies are not represented in this Conference, how is the Conference likely to know what conditions of labour are in such colonies ? I suggest that the Workers' Delegates from those countries which are responsible for the government of these colonies and protectorates should take steps to keep in touch with their labour conditions. They should take steps to bring with them at least advisers, if they will not have a delegate, from these colonies ; otherwise the workers in the colonies are likely to suffer.

My friend Mr. Suzuki referred to the right of association. Even in our own country there are questions arising out of trade union activities which are brought under the law of conspiracy ; but I do not wish to speak on that subject to-day. I wish to refer to the personal freedom of the workers who suffer on account of certain laws in the colonies, protectorates and mandated territories, and also in some special countries. Sir, in some of these colonies

and special countries there are laws according to which a breach of contract of service is punished by the criminal law. There are penal sanctions for a breach of contract of service. This law is an obstacle in the way of the personal freedom of a worker. A worker is not free to dispose of his labour to whomsoever he likes and in the manner he likes. The sooner the law is repealed in all these colonies, the better it will be.

I wish to ask the International Labour Office whether it proposes to put the question of penal sanctions for criminal breach of contract of service before this Conference.

It is not only the penal sanctions for the breach of contract of service which restricts the freedom of the workers in these colonies. There are colonies in which workers are forced to work for a certain class of employers. In my own country there is a system of forced labour. Sometimes if a Government officer is touring and wants servants, he can ask any worker to serve him, and he may pay him whatever he likes. Not only that, but if an officer has a friend touring in his district, say in the Hills of the United Provinces, that officer can force a labourer to serve that tourist also.

In the colonies, that system is found in a much worse form. In Kenya the natives are forced to work for the English planters and landlords by a system of poll-taxes. I should like to know whether the attention of the International Labour Office has been drawn to this system of forced labour. I have seen certain paragraphs in the Director's Report about this ; but merely mentioning these things in the report is not sufficient. I should like to know what steps the International Labour Office and the Governing Body have taken to bring these questions before the Conference. I suggest that the Conference should establish a separate committee to investigate questions concerning the colonies, protectorates and mandated territories.

I was shocked to read in some of the Statutes of the mandated territories that penal sanctions for breach of contract of service exist in those territories. The League of Nations has been established to secure liberty for the workers of the world, and if these laws restricting the liberty of the workers are found in territories governed by the League of Nations I do not know where we are to turn to find greater freedom for the workers.

I do not wish to take up much more of your time, but I should like to say a word about the position of the special countries. This Conference passed certain Conventions and Recommendations at Washington which were specially applicable to Japan and India. I should like to ask the Director of the International Labour Office whether he proposes to take any steps to review these Conventions and Recommendations. The Conventions and Recommendations for Japan and India do not go so far as those which apply to the European world. It is now six years since they were passed, and it is time that these Conventions and Recommendations were revised. I would like the Director of the International Labour Office to tell me whether he proposes to take any steps to review the situation with regard to these Conventions and Recommendations.

When I request the Director of the International Labour Office to review and revise these Conventions and Recommendations, I am not unmindful of the fact that certain Conventions passed at Washington have not yet been ratified by Japan. When I refer to Japan I assure you, Mr. President, and I should like to assure my colleagues from Japan, that I do not speak in a spirit of fault-finding. I am speaking on this subject because we experience great difficulty in India owing to the non-ratification by Japan of Conventions and Recommendations, especially as regards hours of work and the night work of women. We look upon Japan—at least in India—as the leader of Asia. We look to Japan to show us the path, to guide us in the way of progress ; and therefore, when we find that the Japanese Government does not ratify the Conventions and Recommendations, we in India are greatly disappointed.

We are not only disappointed, but for the last two years we workers in India have felt that if Japan does not ratify the Conventions and Recommendations, it will be difficult for the workers of India to secure any progress as regards their own conditions. Not only that, but we fear that it may be difficult for us to maintain even the conditions we enjoy

to-day; we feel that our standards are liable to be lowered. I therefore appeal to my colleagues from Japan—and especially to my colleague of the Workers' Group—to do their best to get these Conventions and Recommendations ratified and to get legislation passed to give effect to these Conventions and Recommendations. If Japan ratifies the Conventions and passes legislation as regards hours of work and the prohibition of night work by women, our path in India will be easier; but if Japan does not ratify, the workers in India may suffer to some extent.

When I say these things about Japan, I do not intend to suggest that labour conditions in Japan are worse than they are in India; on the contrary, I feel that in certain respects labour conditions in Japan are much better than they are in India. The non-ratification by Japan, however, of the Conventions on hours of work and the prohibition of night work for women puts a special difficulty in our way, and I therefore appeal to my colleagues from Japan to secure the consent of their Government to the ratification of these Conventions, and thus not only help their own progress—the progress of their own workers —but the progress of the workers of India.

SIR THOMAS SMITH (India).—Mr. President, Mr. Joshi, who has spoken on behalf of the workers of India, has to some extent anticipated what I, speaking for the employers of India, had intended to say with regard to the non-ratification by Japan of the Hours of Labour Convention. It is refreshing, the Conference will admit, to find employers and workers seeing eye to eye with one another, and on this point we are in cordial agreement.

There is a paragraph in the Director's Report which is something to the effect that it must once again be emphasised that the ratification of the Hours of Labour Convention is, so to speak, the touchstone of the value of this Organisation. Now, Sir, speaking for India, we can take credit that in the matter of ratifications we stand high. We have loyally responded to the aims of this Organisation. In particular, on the ratification of the Hours of Labour Convention, we were prompt to take action. India ratified in 1921, but as a matter of fact before the first Conference met in Washington in 1919, I can with pardonable pride claim that in Upper India, where I come from, we employers, on our own initiative, had taken steps to reduce the working day, and by the end of 1919, had reduced it by two hours per day, thus anticipating the hours subsequently arrived at by the Washington Convention. Bombay, which is the centre of the cotton mill industry, stimulated by the Washington Conference, followed suit in 1920.

It was a wise, a humanitarian move. On those grounds we do not regret it. Our only regret is that others have not followed suit. I do not speak of the great manufacturing countries of the West, but wish to confine my remarks to the Far East. The issue there is a very clear and a very definite one, as there are only two great manufacturing countries in the Far East, and it is at the definite request of the cotton mill industry in India that I desire to speak upon the subject of the non-ratification by Japan.

At the Washington Conference in 1919, the hours of work for Japan were specified and agreed to; but for reasons best known to itself, Japan has not ratified. It has prepared an amended Factories Act, but even if this were passed, it would hardly alter the situation at all, for the simple reason that it does not conform to the hours specified at Washington, and in particular, it contains no provision regarding adult labour, while the Government retains the power of making exemptions. The hours specified for Japan at Washington were 60 hours per week in the raw silk industry, and in other industries 57 hours per week. But, Sir, as I have said, in the amended Factories Act no mention is made of hours of adult labour, while in the case of women and lads under sixteen, permission is given to work 11 hours per day. Night work of women still goes on, and so far as I can see it will go on for three years after the Factories Act may be passed, which may be this year, next year, sometime, never.

Now, Sir, the failure of Japan to ratify, places India, which was prompt to ratify, at a great disadvantage. The longer hours worked by the cotton operatives in Japan give Japanese manufacturers a material advantage in competing in the Indian market, and that is one of the reasons—I do not say the only reason—why Japanese manufactures can be and

are being dumped in Bombay at prices with which the Bombay manufacturers cannot compete. It comes to this : Japan takes her cotton from India to Japan, manufactures it, sends it back, and is able to undersell Bombay, which has cotton at its doors.

The cotton industry in India has been and is still going through a period of grave stress, and it cannot regard with equanimity the unfair advantage taken by Japan. It therefore calls upon Japan to ratify the Hours of Labour Convention, and it asks this Conference to ensure by its moral support that Japan shall fulfil the undertaking which she entered into at Washington.

Unless Japan ratifies, I can foresee retaliation by India in other directions which I need not speak of here. But I equally foresee a more deplorable thing, and that is that India will have nothing more to do with ratifications. India will look askance at Geneva—will be distrustful of Geneva. She has moved and is moving in the improvement of labour conditions ; but unless Japan ratifies she will be compelled to stand still, in self-defence against a neighbouring Power which will not ratify, and, Sir, the effect of that will be that the interests of the worker will suffer. The progress of the worker in India as, indeed, in course of time, the progress of the worker in China also—will be measured, will be limited, by Japan. That, Sir, is a serious thought. It is a great responsibility. On the decision of Japan rests the fate of countless labouring thousands in the Far East. Let me, as one who has spent thirty years of his life in India, and has in some small measure sought to advance the aims of labour urge Japan not to provoke India to anger, but rather to good works.

MR. MAYEDA (Japan).—Mr. President, Ladies and Gentlemen, I consider it my duty to take part in the discussion on the points raised by Mr. Joshi and Sir Thomas Smith this morning. Japan has, for various reasons, not yet ratified the Washington Conventions concerning hours of work and the prohibition of night work for women and young persons ; but the Japanese Government is by no means indifferent to these extremely important Conventions. Through the amendment adopted in 1923, the Japanese Factory Act provides that working hours in factories shall not exceed ten actual working hours (*i.e.*, eleven nominal working hours and one compulsory rest hour for women and young persons under the age of sixteen). This amendment will be put into force without delay as soon as the preparatory work requisite for its execution is completed.

Apart from legislation, however, the actual situation in Japanese factories gives ground for hope that the shortening of working hours upon a reasonable basis may be greatly accelerated. According to statistics, the factories adopting eight hours' or less than eight hours' work increased to 21 per cent. in 1921 from 12 per cent. in 1919. The factories which adopted more than ten hours, on the other hand, were reduced to 28 per cent. in 1921 from 35 per cent. in 1919, and it is quite remarkable that the application of the eight-hour system in big modern factories is an increasing tendency in Japanese industry.

In the particular domain of the cotton mill industry, on which Sir Thomas Smith laid special emphasis, at least 75 per cent. of the total Japanese spinning industry counted upon the basis of the number of spindles, have, since 1920, strictly adhered to ten hours' work per day. Consequently, it is quite evident that, so far as hours of work are concerned, there is no material difference between the practiec in my country and the special provisions of the Convention applying to India in this particular kind of industry.

With regard to night work, the amendment to the Japanese Factory Act provides that, after three years from its enforcement, night work of women and young persons shall be entirely prohibited. This three years' preparation, of which Sir Thomas Smith complained bitterly, may be justified by the necessity of extending equipment and general facilities to cope with the diminution of output consequent upon the abolition of night shifts. By the explanation I have so far given, it has become evident, I hope, that the assumption that labour conditions in my country have not yet been brought up to the level of working conditions in India is not correct. On the contrary, Sir, I am under the impression that if all labour conditions, especially workers' wages, are considered, as was rightly stated by Mr. Joshi, the cost of production accruing from labour is far greater in Japan than in any other country in the Far East, and working conditions in Japan are second to none in the Far East.

I wish, in passing, to point out the fact that in some branches of Japanese industry wages have already been brought into line with wages in the chief Western industrial countries. It seems, accordingly, absolutely unfounded to assert that Japan is taking advantage of inferior working conditions in commercial competition with India.

Now, Mr. President, in view of the fact that Sir Thomas Smith laid such emphasis on this matter, I feel bound to say a few words in connection with the alleged competition etween Japan and India in the cotton manufacturing industry. I cannot believe that such keen competition exists between India and Japan in this sphere, because it is evident in the first place that the kinds of yarn handled by the firms in India and Japan are different. India deals chiefly with coarse yarns, while Japan deals with finer yarns so far as the export business is concerned. I have been furnished with statistics and documentary evidence on this matter, but in order to save time I will omit this. I do not think that Japan is creating any serious trouble for the spinning industry in the Indian market.

It is true, in the second place—and we sympathise very much on that account—that the export of Indian cotton manufactures into China has decreased markedly in recent years ; but this deplorable fact is by no means due to the competition of Japanese goods. It is rather due to the enormous development of the cotton industry in China.

It may be some consolation to my friends from India to know that Japan too is sharing the hard fortune of a serious slackening in the export of cotton manufactures to China, owing to the increasing self-sufficiency of the Chinese spinning industry, especially in the cotton industry. The decrease of Indian imports into China is mainly due to the development of the Chinese industry and not to Japanese competition.

Now it goes without saying, Mr. President, that the humanitarian side of industrial life should not be for a moment lost sight of. The Japanese Government, I am proud to say, attaches the utmost importance to the demands of humanity. This is why it ratified the Minimum Age Conventions for seamen and for agricultural workers, and decided to approve the Minimum Age Convention for industry, without regard to the economic sacrifices thereby involved. We are dealing with the Hours Convention in the same spirit, only we have not yet been able to overcome several difficulties in the way of ratification. I pay high tribute to India for her prompt ratification of this important Convention, while even in Europe a number of great countries are still finding it difficult to do so. But I know that Sir Thomas Smith would not censure Japan for not having yet adopted a Convention which his country has ratified, any more than I would dream of blaming some countries merely because they have not yet ratified the Convention. Take, for instance, the Minimum Age Convention which my country has adopted. Approval or rejection of ratification depends upon the circumstances in which the respective States Members find themselves, as well as upon humanitarian considerations. I do not wish to generalise about the labour conditions of a country solely from the point of view of the ratification or non-ratification of a given Convention. As I have already pointed out, working conditions in my country are not inferior to the provisions of the Hours Convention applying to India. Only it must be borne in mind that the length of hours and other conditions imposed upon us, concerning working hours, by the Washington Convention are heavier than those imposed upon India, so my country needs a greater effort before it is able to ratify this particular Convention.

I thank Mr. Joshi for his courteous attitude and I shall transmit all these interesting remarks to my Government.

Now, Mr. President, I wish to say a few words in connection with my friend Mr. Suzuki's remarks on some points which are likely to create some misunderstanding. In the first place, Mr. Suzuki criticised the Public Safety and Peace Act which was recently passed in the Japanese Diet. This Act has nothing to do with the freedom of workers' associations. It simply deals with anarchist or communist intrigues intended to undermine the foundations of the national existence. The text of the Act strictly defines such cases, and there is no danger of abuse being made of it. I have communicated the whole text of the Act for the information of the International Labour Organisation and it will be published in *Industrial and Labour Information*.

Mr. Suzuki revealed his apprehension that the Act might be abused, and the freedom of workers' association thereby be infringed. I venture to say that, as a matter of principle, an Act should not in any circumstances be abused, because it is the primary condition of legislation that the executive officials should strictly uphold its provisions. In this connection I would point out, as was pointed out by my friend Mr. Suzuki, that the Japanese Government presented the Universal Suffrage Bill to the Diet and the Bill was passed this year. This testifies most eloquently to the fact that the Japanese Government adheres to a Liberal policy and entertains goodwill towards the working people who constitute the majority of the nations.

In the second place, the Workers' Delegate of my country discussed at length the matter of the competent authority cited in Article 405 of the Treaty of Peace, and I should like to say that it is an international obligation that the Government should present the Convention to the competent authority within a certain period of time; but it is a matter for the constitution of the State concerned to define which organ is the competent authority, and the Japanese Government maintains that, under the Constitution, such competent authority is the Privy Council. I do not wish to dwell upon this matter, but I am bound to say that the Japanese Government is not indifferent to the great importance of the Diet. It is the practice of our administration, in order to ensure the strict application of a Convention, for the Government to present to the Diet, when it considers the Convention acceptable, a Bill embodying the principle of the Convention and to take no steps towards ratification until Parliament approves the Bill.

Now, Mr. President, I have discharged my duty with regard to the points raised by previous speakers. Might I have a few moments to deal with some points of my own. I heartily associate myself with Mr. de Michelis, upon the matter of emigration and I congratulate the Director upon his great success in organising the Permanent Emigration Committee, with the collaboration of the Governing Body.

I entirely associate myself with Mr. de Michelis in thinking that this problem of emigration is a very important work for the International Labour Organisation. If this matter is not fully dealt with, side by side with the question of the amelioration of labour conditions the slogan, equitable conditions of labour all the world over would perhaps be more verbiage and tantamount to imposing impossible conditions upon certain countries which are deprived of natural resources and suffer from over-population.

. . . . Of course this question is a very delicate and difficult one and I do not pretend to say that the principle of the right of emigration is an absolute principle. The principle, might I say the right of emigration, or the freedom of emigration, should be subject to some limitation on the part of the immigration countries; but this limitation should be imposed rationally and impartially and I hope that the Emigration Committee will in course of time deal with the matter from a scientific and impartial point of view, and thus give satisfaction to the countries concerned.

Finally, I should like to congratulate the Director on the efficiency of his staff. I am a permanent resident in Geneva and am constantly in touch with the people who are connected with the International Labour Office. I have always been struck by the efficient working of the International Labour Office and by the prompt and willing service rendered by the staff in response to any enquiry for information concerning labour problems. My ambition for the International Labour Organisation is, apart from accelerating the ratification of conventions, that it should be an authoritative international clearing house for information concerning labour problems, and to this end I hope that the new Governing Body will help the Director in promoting the efficiency of the work which is sanctioned by the Treaty of Peace.

SIR A. C. CHATTERJEE (India).—Mr. President and fellow Delegates, I wish to make a few very brief observations on the speeches which have been made by the Honourable Delegates who have preceded me. I do not wish to enter into the very complicated and delicate juridical question raised by my esteemed friend, Mr. Joshi, with regard to the representation of the Indian princes in this Organisation. I think it would be extremely difficult for me to explain to this Conference the various aspects of that question, and perhaps the Director and the Conference will excuse me from dwelling on it at any length.

My friend, Mr. Joshi, made some remarks with regard to the alleged prevalence of forced labour in India. I wish to tell you that the statement he made was entirely misleading, and a distorted version of the actual facts. The system of forced labour, if it prevails at all in India at present, is confined to certain specified tracts and exists in certain special circumstances. It was not fair, in my opinion, for Mr. Joshi to represent to the Conference that it was a matter of ordinary occurrence in India for a State official to impress anyone as his servant, when he went out on tour.

Coming now to the question, which has been referred to, of the ratification by Japan of the Hours Convention passed at Washington, I should like, on behalf of the Indian delegation, to congratulate the Conference and the International Labour Organisation on the fact that we have a permanent representative of the Japanese Government attached to the International Labour Office in the person of Mr. Mayeda, than whom there are few more competent to speak on these questions. I wish to take this opportunity of congratulating Mr. Mayeda on the extremely able and vigilant manner in which he looks after the interests of his country here. I know Mr. Mayeda is most anxious to secure social progress in Japan and, with his knowledge of industrial conditions in the East as well as in the West, we hope that he will be able to persuade his Government to take important steps for the amelioration of the conditions of labour in Japan.

We understand perfectly well that the Treaty does not impose any obligations on any Government to ratify a Draft Convention passed at this Conference; but I wish to thank Mr. Mayeda for the assurance he has given us to-day that he will transmit to his Government the sentiments and the views which have been expressed here this morning. We hope he will add his own observations on the subject, and will persuade his Government to take steps for ratification.

We in India—and especially those of us who look at the matter from the point of view of the Government of India—fully appreciate the difficulties of the Government of Japan in this matter. We know that, two years ago, Japan suffered a most disastrous cataclysm in the form of a very severe earthquake. Naturally, things must have been very difficult in Japan for a couple of years. I wish to take this opportunity of congratulating both the Government and the people of Japan on the speedy and brilliant recovery which they have made from the effects of that earthquake. I hope that the Japanese Government will now be able to address itself to the important task of social progress.

The matter affects India very keenly. India and Japan have been acknowledged to be two of the eight chief industrial nations of the world. It is up to both Japan and India not only to demonstrate that, as chief industrial States, they are fully alive to the importance of social and economic progress, but also to demonstrate that they realise that it is their duty to lead the other Asiatic countries in this respect.

I recognise that the special circumstances of the Eastern countries have to be taken into account in this matter. There are differences in climate and in social organisation which cannot be brushed aside; but at the same time we cannot lag behind, and, as has already been expressed by my friends Mr. Joshi and Sir Thomas Smith in this Conference, opinion in India to-day is somewhat exercised by the fact that Japan has not yet ratified the Hours Convention. In this respect there is a curious parallel between the situation in the East and that in the West. During this debate, in the course of the speeches we have listened to during the last two or three days, we have heard the Representatives of different European countries commenting on the fact that it was difficult for them to advance so long as the countries on their borders did not advance in the same direction. The Conference knows that soon after the Washington Conference we in India ratified the Hours Convention, and we have most loyally given effect to that Convention in our legislation. There is an opinion freely expressed in India nowadays that we were too premature in doing so; but if I may for a moment express my own personal opinion, I do not think we were wrong either in ratifying the Washington Convention or in giving effect to it. I do think that we acted rightly, in the interests of the Indian workers and of Indian industry, and although we may suffer to-day from Japanese or other eastern competition, I think the steps that we then took were clearly for the benefit of the Indian workers and of India generally. At the same

time, although I do not wish to enter into any of the arguments put forward by my friend, Mr. Mayeda, regarding the absence of competition between Japan and India with regard to different kinds of cotton, it is quite clear that there is competition in industrial matters between India and Japan, and also between India and China. We cannot be oblivious of the fact, and it is also clear that if Japan lags behind, it will be difficult in India to make further progress in social and economic matters. Not only that, but as Mr. Joshi has already pointed out, I hope our friends in Japan will realise that, the longer they lag behind, the more difficult it will be to bring China into line either with Japan or with India in matters of social and economic progress.

I do not wish to appeal to Japan merely on the grounds of commercial and industrial competition. I wish to appeal to Japan on a higher plane. We in the East have always taken pride in the fact that, although we might possibly be behind the West in material matters, we are in no way inferior to the West in our social and spiritual outlook. Social progress also indicates the highest spiritual standard. There has been for centuries past a noble rivalry between India and Japan and a noble emulation between India and Japan, and also China, in social and spiritual matters. Let us carry on the tradition. Let us carry on this noble emulation. Let us—Japan, India and China —demonstrate to the world that we are in no way behind the Western countries in matters of social and economic progress. I thank you, Sir.

APPENDIX 11.

HEDGE CONTRACTS.

No. 7023/HE/2.

THE EAST INDIA COTTON ASSOCIATION, LTD.,
BOMBAY, 15*th January*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. 1685/18A dated 16th December, 1924, on the subject of Hedge Contracts and to say that whilst my Board are constrained to dispute the correctness of the statements made in paras 1, 2, 3, 4, 5 and 7 of your letter they are willing to appoint a Sub-Committee of the Board on the return of Sir Purshotamdas Thakurdas, Kt., the Chairman of my Association, from Delhi by the end of March next, to meet and confer with the Sub-Committee of your Association with a view to further discussing the matter in order to arrive at a satisfactory solution of what admittedly is the most controversial question vitally affecting the interests of the cotton trade as a whole.—Yours faithfully,

D. MEHTA,
Secretary.

No. 187-47 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 3*rd February*, 1925.

THE SECRETARY,
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. 7023/HE-7 dated the 15th January, 1925, indicating the willingness of your Board to appoint a Sub-Committee to confer with the Sub-Committee of my Association on the subject of Hedge Contracts. My Com-

mittee are given to understand that your Chairman, Sir Purshotamdas, is likely to be in Bombay from about the 12th February until after the meeting of the Indian Central Cotton Committee, and Mr. Grantham will, as you are doubtless aware, arrive in Bombay on or about the 14th February. If their information is correct, my Committee would like the joint meeting of the Sub-Committees of our respective Associations to be held between the 14th and 23rd February, and I am to suggest for your approval 2-30 p.m., Tuesday, 17th February, and the rooms of this Association as a suitable time, date and place for the joint meeting.—Yours faithfully,

T. MALONEY,
Secretary.

No. 7267/H-E.-2.

THE EAST INDIA COTTON ASSOCIATION, LTD.,
BOMBAY, *9th Februaryi*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. 187-47 dated 3rd February, 1925, suggesting that the joint meeting of the Sub-Committees of our respective Associations may be held at 2-30 p.m. on Tuesday, 17th February, and to inform you that Sir Purshotamdas, who arrives in Bombay on the 12th instant, is expected to leave on the 13th instant or, at the latest, on the 14th instant, for Delhi. He does not consider that he will be in Bombay after that till the session of the Legislative Assembly is over. No question therefore arises of it being feasible for him to attend any meeting in Bombay now. I am also to add that he does not expect to be present at the Central Cotton Committee meeting either as the Railway Budget is to be presented to the Assembly on the 23rd instant.—Yours faithfully,

D. MEHTA,
Secretary.

No. 284-47 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *17th February*, 1925.

THE SECRETARY,
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

I am directed to acknowledge the receipt of your letter No. 7267/HE-2 dated 9th February, 1925.

My Committee note that Sir Purshotamdas Thakurdas will not be able to attend the joint meeting of the Sub-Committees of our respective Associations during the month of February, and in order that Sir Purshotamdas might arrange to be present, are willing to agree to the joint meeting being held not later than the third week in March.

If Sir Purshotamdas is unlikely to be in Bombay by that time, my Committee consider that the Deputy Chairman of your Association should be asked to preside at the meeting.

As to the exact date and time and place of the joint meeting, subject to the reservation stated, my Committee will be pleased to meet the convenience of your Association.—Yours faithfully,

T. MALONEY,
Secretary.

No. 286-47 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *17th February*, 1925.

THE DIRECTORS OF THE
EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIRS,

In my letter No. 829-18C, dated 23rd June, 1924, my Committee put forward certain definite proposals in regard to a reduction in the number of Hedge Contracts, and these proposals are shortly to be discussed at a joint meeting of Sub-Committees from our respective Associations.

Since the date of the letter above referred to, my Committee have given the whole question the most detailed consideration, and wish to modify their previous proposals in regard to Oomras cotton.

The original proposal of my Committee was that " the present No. 3 and No. 4 Oomras Contract should be amalgamated into one contract and a proviso added that only F. G. to Fine cotton should be tendered from the commencement of the year until the end of May, and after that time only Good to Fully Good. This contract should also include Northern Gowrane cotton of the Nizam's State from the stations of Barsi and Jalna. Cotton tendered against this contract to be medium staple and not less than ½". The January and the even more recent March operations in the present Fine M. Good Oomras Contract which at times forced the price above that of Broach cotton of superior quality have convinced my Committee that a greater broadening of the Oomras Contract than was suggested in June last is absolutely necessary, if it is ever going to be possible to get a satisfactory hedge in Oomras cotton.

My Committee therefore propose that the Oomras Contract previously suggested, should be broadened so as to allow cotton down to half a class below Fully Good to be tenderable, and that delivery should be permitted in all months of the year.

It is not proposed to go into details as to the particular stations which, in the opinion of my Committee, should be earmarked to this contract, but my Committee will be pleased to submit their views in this connection at the joint meeting, which it is proposed to hold in the coming month.—Yours faithfully,

T. MALONEY,
Secretary.

No. 7440/HE-2.

THE EAST INDIA COTTON ASSOCIATION, LTD.,
BOMBAY, *25th February*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. 284-47 dated 17th February, 1925, and to inform you that I am communicating with Sir Purshotamdas Thakurdas in the matter with a view to ascertaining whether it will be possible for him to arrange to be in Bombay in the third week of March in order to be able to be present at the joint meeting of the Sub-Committees or to name any nearest convenient date for holding the same.—Yours faithfully,

D. MEHTA,
Secretary.

No. 7506/HE-2.

THE EAST INDIA COTTON ASSOCIATION, LTD.;
BOMBAY, *3rd March*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

With reference to your letter No. 286-47 dated the 17th February, 1925, on the subject of Hedge Contracts, I am directed to say that my Board have resolved to refer the same to the Hedge Contracts Sub-Committee for their consideration and report to the Board.—Yours faithfully,

D. MEHTA,
Secretary.

No. 7596/HE-2.

THE EAST INDIA COTTON ASSOCIATION, LTD.,
BOMBAY, *13th March*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

In continuation of my letter to you of the 25th February, I am directed to inform you that I have now heard from the Chairman of my Association who informs me that the Assembly meetings at Delhi are expected to last till the 26th instant. The Chairman does not expect, therefore, to be available in Bombay before the 1st week in April at the earliest. I am to convey to you my Board's decision that they see no reason to change their previous resolution regarding the joint meeting of the representatives of your Association and mine, as communicated to you in January last.

My Board note the suggestion that you seek to make in para 3 of your letter of the 17th February that the Deputy Chairman of this Association should be asked to preside at the joint meeting. They think that it would not be right for them to agree to any change in their previous resolution bearing in mind that the Chairman is in Delhi on public duty.—Yours faithfully,

D. MEHTA,
Secretary.

No. 463/47 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *24th March*, 1925.

THE SECRETARY,
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

I am directed to acknowledge the receipt of your letter No. 7596/4HE-2 dated 13th March, 1925, in which you have outlined the reasons why a joint meeting of our Sub-Committees cannot conveniently be held until after the 1st April. My Committee are now agreeable to meet the wishes of Sir Purshotamdas Thakurdas as regards the date of the meeting, provided that it is held during the first or at the beginning of the second week in April, that is to say, some days prior to the Easter Holidays.—Yours faithfully,

T. MALONEY,
Secretary.

No. 7764/HE-2.

THE EAST INDIA COTTON ASSOCIATION, LTD.,
BOMBAY, 31st *March*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. 463-47 dated 24th March, 1925, and to inform you that a Sub-Committee of my Board will be glad to meet and confer with the Sub-Committee of your Association on Tuesday, the 7th April, 1925, at 3 p.m. in the Board Room, Taj Building, with a view to further discussing the proposals put forward by your Association in regard to a reduction in the number of Hedge Contracts.

I am to express the hope that the date and time proposed by my Sub-Committee will be suitable to your Sub-Committee.—Yours faithfully,

D. MEHTA,
Secretary.

Personnel of the Sub-Committee.

SIR PURSHOTAMDAS THAKURDAS, KT., C.I.E., M.B.E., M.L.A. (*Chairman*).
HARIDAS MADHAVDAS, ESQ.
DURGADUTT SAWALKA, ESQ.
KISHAN PRASAD, ESQ.
HANSRAJ HARJI, ESQ.
C. P. BRAMBLE, ESQ.
K. H. MCCORMACK, ESQ.

No. 503/47 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 31st *March*, 1925.

THE SECRETARY,
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

I am directed to acknowledge the receipt of your letter No. 7764/HE-2 dated the 31st March, and to state that the Sub-Committee of this Association will be pleased to meet your Sub-Committee on Tuesday, the 7th April, 1925, at 3 p.m. (S.T.) to discuss the proposals put forward by this Association in regard to a reduction in the number of Hedge Oontracts.

The Sub-Committee will consist of the following gentlemen :—

N. N. WADIA, ESQ., C.I.E. (*Chairman*).
RATANSI D. MORARJI, ESQ., (*Deputy Chairman*).
S. D. SAKLATVALA, ESQ.
J. A. KAY, ESQ., M.L.C.
LALJI NARANJI, ESQ., M.L.C.—Yours faithfully,

T. MALONEY,
Secretary.

No. 7820/HE-2.

THE EAST INDIA COTTON ASSOCIATION, LTD.,
BOMBAY, *6th April*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Hedge Contracts.

I beg to acknowledge receipt of your letter No. 503/47 dated the 31st March, 1925, intimating that the Sub-Committee of your Association will be pleased to meet the Sub-Committee of my Association on Tuesday, the 7th instant, at 3 p.m. in the Board Room of my Association, Taj Building.—Yours faithfully,

D. MEHTA,
Secretary.

No. 7840/HE-2.

THE EAST INDIA COTTON ASSOCIATION, LTD.,
BOMBAY, *8th April*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

In continuation of my letter No. 7820-HE-2 dated the 6th April, 1925, I amdirected to inform you that the adjourned meeting will be held in the Board Roomof myAssociation, Taj Building, on Tuesday, the 14th instant, at 2-30 p.m.—Yours faithfully,

D. MEHTA,
Secretary.

BOMBAY MILLOWNERS' ASSOCIATION.

PROCEEDINGS of the meeting of the members of the Representative Committee representing the Millowners' Panel of the East India Cotton Association held in the rooms of this Association on Thursday, the 23rd April, 1925, at 11 a. m. (S.T.).

Present:

N. N. WADIA, ESQ., C.I.E. (*Chairman*).
RATANSI D. MORARJI, ESQ. (*Deputy Chairman*).

H. H. SAWYER, ESQ.,
F. F. STILEMAN, ESQ.,
S. D. SAKLATVALA, ESQ.,
N. B. SAKLATVALA, ESQ., C.I.E.,
ALBERT RAYMOND, ESQ.,
SIR FAZULBHOY CURRIMBHOY, KT., C.B.E.,
LALJI NARANJI, ESQ., M.L.C., and
J. P. WADIA, ESQ. (*Acting Secretary*).

Besides the gentlemen named above, Mr. F. Stones, O.B.E., Mr. Ellis Jones, and Mr. Mulji attended the meeting at the special invitation of the Chairman. As regards the two latter, the Chairman stated that as commission agents, their co-operation would prove helpful. Sir Fazulbhoy Currimbhoy contended that the other members should have been allowed to bring their brokers or commission agents and the Chairman replied that if any member desired to call his broker or commission agent, he was welcome to do so.

The Chairman stated that the Millowners' Association had placed certain proposals before the East India Cotton Association for widening the present Hedge Contracts and the meeting was convened for the purpose of discussing these proposals so that an agreement might be arrived at as to the line of action the representatives of the millowners should adopt at the meeting of all the members of the Representative Committee of the East India Cotton Association, which, it was understood, was to be held by the end of the month.

At the outset the Chairman said it was most necessary that members should be very clear about the meaning and functions of Hedge Contracts, and with that object he read certain extracts from a paper read by Mr. A. Bryce Muir at the British Empire Exhibition and also a paper read by Mr. P. White of the Liverpool Chamber of Commerce.

Sir Fazulbhoy Currimbhoy said that millowners should not look at the matter from the point of view of manufacturers only, but they should also consider the case of the cultivators, on whom a broadening of the Hedge Contracts would operate as a hardship. The Chairman replied that Sir Fazulbhoy's views were erroneous, and he requested Sir Fazulbhoy to adduce arguments in support of his statement that the broadening of the Hedge Contracts would operate as a hardship on cultivators. Sir Fazulbhoy was unable to adduce any arguments, and he withdrew his statement.

The Chairman stated that he had had great opportunities of investigating this matter very fully as a member of the Indian Cotton Committee, and he was convinced that a broadening of the Hedge Contracts would benefit the cultivator who has to sell his cotton to merchants or to manufacturers. If proper hedges were provided, it would greatly facilitate purchases by merchants and manufacturers for banks would make them better advances if the banks were satisfied that these merchants and manufacturers had protected themselves by hedges, and it is obvious that in this way the cultivator would be also helped in obtaining better prices. The Chairman further pointed out that proper Hedge Contracts would also prove helpful to co-operative credit societies which were proving so beneficial to cultivators.

After some further discussion, Mr. N. B. SAKLATVLA stated that all were agreed on the principle that the system of Hedge Contracts was very beneficial and acted as an insurance against fluctuations in the cotton market, and it would be better to proceed with the definite proposals which the Millowners' Association had placed before the East India Cotton Association.

THE CHAIRMAN explained that the Millowners' Association had proposed that instead of five Hedge Contracts there should be three. These three contracts proposed by the Association and the decision of the meeting in respect of each are detailed below :—

(1) The F. G. M. G. Bengal Contract (No. 1) should be retained as at present.

This proposal therefore did not call for any discussion.

(2) The second proposal was that the present Nos. 3 and 4 Oomras Contracts should be amalgamated into one contract, that Barsi and Jalna Cotton should be included in this contract, and that the staple of the cotton tendered against this contract should not be less than ½" and that the basis be Fully Good.

After some discussion these proposals were accepted by the meeting with the proviso that the clause regarding the staple should be the same as in the present Oomra Contracts, *viz.*, Fair average of the season, and that in view of By-law 61 (3) of the East India Cotton Association, the basis of the proposed contract should be fine, and that half a class under 'fine' be passed under the combined contract although Fully Good would be tenderable.

(3) The third proposal of the Millowners' Association was that the present No. 2 F. G. M. G. Broach Contract and the present No. 5 G. M. G. Southern Contract should be amalgamated into one, and no cotton under 6-8" staple should be tenderable against this contract. It was further proposed that Moglai cotton from

Latur, Nanded, Purna, Umri, Bhaisan, Kirkley, Mukhed and Parbhani should be made tenderable under this contract. No cotton under good to be tenderable against this contract.

After some discussion it was decided to delete Latur, Nanded, Purna and Parbhani from the proposed contract. It was further agreed that the staple of Bhaisan, Kirkley Umri and Mukhed should be 7-8" and not 6-8".

The Millowners' Association had also proposed that the above contracts should be made tenderable every month during the year instead of on three or four delivery dates for each contract as at present. Eventually it was agreed that the contracts should be made tenderable every alternate month during the year, *viz.*, January, March, May, July, September and November.

Before the meeting dispersed, SIR FAZULBHOY CURRIMBHOY said that the Chairman should be allowed to formulate the above proposals at the meeting of the Representative Committee of the East India Cotton Association, instead of different members of the Millowners' Panel taking part in the discussion which might result in confusing the issues. Sir Fazulbhoy's proposal was unanimously agreed to.

J. P. WADIA,
Acting Secretary.

THE EAST INDIA COTTON ASSOCIATION, LIMITED.

Copy of letter dated 5th May, 1925, from Messrs. Forbes, Forbes, Campbell & Co., Ltd., to the Secretary, East India Cotton Association, Ltd.

"We are in receipt of your letter of the 30th ultimo, enclosing a précis of the proposals made by the Millowners' Association for a reduction in the existing number of Hedge Contracts, and asking for our views on the same.

In the first place we consider it desirable that the motive underlying the Millowners' proposals, should not be lost sight of. We understand that the Millowners maintain that the present Hedge Contracts do not provide a real hedge against up-country purchases of cotton or against forward sales of cloth, and that these contracts (and especially the Broach contract) are so speculative in character that it is dangerous for any legitimate trader to use them as a cover. Obviously the Millowners have in mind the single contract available in Liverpool and would like a single contract in Bombay, and as a step in this direction they propose a reduction in the number of our Hedge Contracts from 5 to 3 with a corresponding broadening of the three contracts.

Before discussing the advisability or otherwise of making a change in the existing Bombay contracts, we propose to examine rather more closely the Liverpool Hedge Contract which is the model that so obviously appeals to the Millowners' Association.

Under this contract, any quality of American cotton, if of fair staple or better, may be tendered, provided it is not lower in *grade or value* than Low Middling. Grade and value in Liverpool have reference to the amount of leaf and dirt in the lint and to the dullness or brightness of the cotton. Fair staple, which is a *sine qua non*, is not defined in inches, but is a term well understood in the trade and means the shortest staple generally used by the Lancashire trade.

The next important point to notice is that as the average buyer (and in particular the mill buyer) in Liverpool dare not risk being tendered any cotton from Low Middling to something for which he might have to pay 1½*d.* premium, he usually buys the exact spot cotton he requires and sells out his Hedge Contract before the tender date. The result is that ready cotton is practically always at a premium over the current contract, the balancing feature being that the ordinary cotton dealer usually wishes to buy back his contract rather than tender against it, in order to secure the full benefit of the spot price.

Finally, we would refer you to the speech delivered at the Wembly Exhibition by the President of the Liverpool Cotton Association. In this speech, he said, in describing the Liverpool system :—

> " It is imperative in such a system to have a free trading market . . . . It is necessary to have professional jobbers willing to make a price at any moment . . . . to have speculators who will carry heavy stocks when they are weighing down prices and who will sell contracts ahead when they believe prices are too high . . . . . to have manipulators who will keep the relations of spot cotton and futures together."

Obviously the Liverpool contract presents immense attractions. The contract is wide enough to prevent cornering while the system of marketing is such as to prevent the possibility of undue depression, it being recognised that spot rates practically always stand at a premium over contract rates.

If we could introduce such a system in Bombay, it would be to everybody's advantage, millowners, exporters and traders alike. The question is, whether the system can be applied to Bombay, and in order to arrive at a decision the points your Board must take into consideration are :—

(*a*) Are the cottons tenderable under the Hedge Contracts to-day sufficiently alike in character to permit of an amalgamation of one or more of the contracts, on the lines of the Liverpool model ?

(*b*) Does your system of arbitration enable you to say with a fair degree of certainty that a correct premium will be forthcoming (1) for staple and (2) for grade over or below the standard or standards ?

(*c*) Is your spot market sufficiently developed to permit partly or in whole of the introduction of the Liverpool system ?

(*d*) Is the Indian banking system sufficiently developed to permit of spot cotton being freely " held " while free trading takes place in the contract ?

(*e*) Have you got a " ring " as in Liverpool to enable the correct recording and fixation of contract rates ?

(*f*) Have you got the requisite number of jobbers and speculators and are they of the right type ?

Our own answers to these points would be as follows :—

(*a*) A limited amalgamation is possible. A single Hedge Contract embracing all descriptions would appear to be an impossibility but we might gradually arrive at one broad contract embracing half of the Indian crop.

(*b*) We consider that the present system of arbitration does not lend itself to broad contracts and that broad contracts could not be established unless there was confidence in the system of arbitration. At present there is very little confidence in the system of arbitration.

(*c*) It is sufficiently developed to introduce, in part, the Liverpool system.

(*d*) We are inclined to answer in the negative.

(*e*) Clearly, we have no such ring.

(*f*) We have the requisite number, and if they would consent to be controlled by a proper ring system, it would also be said that they were of the right type.

Our answers to these questions will make it clear to you that we agree with the principle of broadening existing contracts and to a gradual reduction of the number of contracts, but that we do not think the time is yet ripe to carry out any extensive alterations, especially alterations that are only palliatives and do not go to the root of the trouble.

Coming next to a detailed criticism of the proposals contained in your letter, we would point out that as long as we are not or cannot be confined to a single Hedge Contract, there will always be the danger that speculators may rig one contract by straddling it with another. This is obviously the difficulty which the Millowners have in mind and as it is a real danger to legitimate traders, and as, in our opinion, the Millowners' proposals to widen the contracts are only slight palliatives, and do not go to the root of the trouble, we feel that you should attempt to meet the danger in some other way.

Moreover, it would appear in their own showing that the Millowners would be more likely to use a broad contract for selling purposes, than for buying, which would be a source of weakness.

The only way to meet the difficulty as far as we can see, is not to widen the contracts by linking two similar styles together such as Fine and F. G. Oomras but to widen them by linking the contracts where possible, *viz.*, by making C. P. No. 1 tenderable under Broach *and* Oomras and by making Tinnevellies and Cambodias, tenderable under both Broach *and* Southerns. This arrangement would tend to make the three main " sutta " contracts, *viz.*, Broach, Oomras and Southerns, move more or less together. We cannot see how Bengals can be linked with any other contract, but on the other hand, Bengals is not a favourite " sutta " contract.

As regards the question of staple, we are of opinion, on the analogy of Liverpool, that the staple of the Broach and Oomra Contracts, should continue to be F. A. S. of the season rather than a definite length.

We do not agree with the suggestion that Barsi should be included in the Oomra contract. This style varies so greatly in both staple and class.

As regards the question of having Hedge Contracts open in all months of the year, we cannot agree that this would be feasible at present however desirable it may be. This custom is not even in force in Liverpool, and the average stocks of tenderable cotton usually available in Bombay after the monsoon are not such as to commend the suggestion to us.

Bearing all this in mind, we do not think that the number of Hedge Contracts can be reduced below 4 for the moment and we think the following 4 would be most practicable, *viz* :—

(*a*) *F. G. Bengals*—as at present.
Delivery—December, January, March, May, July.

(*b*) *F. G. Broach*—as at present but with option of tendering C. P. No. 1, Tinnevellies and Cambodia.
Delivery—February, March, April, June, August.

(*c*) *Fine Oomras*—as at present but Jalna and Fine Khandesh to be included and option of tendering any cotton tenderable against the M. G. Broach box.
Delivery—December/January, March, May, July.

(*d*) *Good Southern*—as at present but with option of tendering any cotton tenderable against the Surat and Punjab-American boxes.
Delivery—May, July, August, September.

No. 754/47 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 18*th June*, 1925.

ALL MEMBERS, REPRESENTATIVE COMMITTEE OF THE
EAST INDIA COTTON ASSOCIATION, LTD.,
(*Millowners' Panel*).

DEAR SIR,

You must have already received an intimation from the General Manager, The East India Cotton Association, Ltd., to the effect that an Extraordinary General Meeting of that Association will be held on 22nd June, 1925, at 2-45 p.m. to consider certain alterations in Article 95 of their Articles of Association regarding Hedge Contracts.

2. The Committee of this Association are of opinion that although the proposed modifications of the existing Hedge Contracts do not meet all the genuine requirements of trade, still they are a beginning in the right direction and may be accepted *for a year's trial.* At the same time the Committee are of opinion that the representatives of the Millowners should make the following points quite clear at the meeting of the East India Cotton Association, Ltd :—

(1) That in the opinion of the Millowners' Association, as at present the Southern Contract would never be traded in, therefore it ought to be amalgamated with the Boach Contract.

(2) As regards the Oomra amalgamated Contract, there seems no justification for the difference in standard as regards cotton tendered before May and cotton tendered after May. The same standard, *i.e.*, Fully Good, should be kept in both cases.

Our Chairman, at the meeting of the East India Cotton Association, will make this statement on behalf of our Association.

3. In view of the great importance of this matter, I am directed by the Chairman to request you to attend the meeting of the East India Cotton Association without fail and to support the above proposals.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 12.

BOMBAY COTTON CONTRACTS ACT.

No. 4331-G/24.

REVENUE DEPARTMENT,
BOMBAY, 7*th July*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Bombay Cotton Contracts Act*, 1922.—*Extension of duration of*—.

SIR,

Section 1 (2) of the Bombay Cotton Contracts Act, 1922, provides that the Act shall remain in force for three years and for such period thereafter as the Governor in Council may by notification direct. The period of three years expires on 27th December, 1925, and the East India Cotton Association, Limited, has proposed that the duration of the Act should be extended by five years. I am directed to request that the Government of Bombay may be favoured with the opinion of your Association on this proposal.—I have, etc.,

R. DAVAR,
for Secretary to the Government of Bombay,
Revenue Department.

No. 929/110 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *6th August*, 1925.

THE CHIEF SECRETARY TO THE GOVERNMENT OF BOMBAY,
REVENUE DEPARTMENT, BOMBAY.

SIR,

SUBJECT:—*Bombay Cotton Contracts Act*, 1922.

I have the honour to acknowledge receipt of your letter No. 4331-G/24 dated 7th July, 1925, asking for the Association's opinion regarding the East India Cotton Association's proposal that the duration of the Bombay Cotton Contracts Act be extended by five years after the expiry of the period of three years for which it was meant to remain in force in the first instance.

2. My Committee have given the most anxious consideration to this matter and they are unanimously of the opinion that the interests of the trade require that the proposal of the East India Cotton Association should not be acceded to. There are very weighty reasons which have led my Committee to this conclusion and I am directed to recapitulate these reasons in this letter for the careful consideration of Government.

3. In reply to your letter No. 4826-G. dated 7th April, 1924, on the subject of the new by-laws of the East India Cotton Association, my Committee by their letter to you dated 16th April, 1924, expressed their great dissatisfaction at the fact that the number of Hedge Contracts was not reduced, as was imperatively necessary in the interests of genuine traders as distinguished from speculators. However, in the hope that the East India Cotton Association might be able to effect the requisite reform in the course of a year, my Committee agreed to accept the by-laws in their entirety as a temporary expedient for a period of *one year* only. My Committee are greatly disappointed at the fact that the present constitution of the East India Cotton Association has proved a stumbling-block in all attempts at a reduction of Hedge Contracts, as will be evidenced from the following brief recital of the developments subsequent to the adoption of the present by-laws.

4. Proposals regarding the widening of Hedge Contracts made by this Association were fully discussed at two joint meetings with the Board of the East India Cotton Association. Subsequently the Chairman of the East India Cotton Association invited other members to give their opinion on the proposals of this Association to widen the Hedge Contracts, and also to adopt the scheme proposed by Mr. V. A. Grantham of reducing the present Hedge Contracts to four for the time being and widening these four contracts. But at the general meeting of the panels of the East India Cotton Association on 22nd June, 1925, this motion was thrown out by vested interests, specially of Mucadams and Jethawalas who, without understanding the nature, scope and real meaning of the Hedge Contracts, voted against the proposed four Hedge Contracts. In fact, one of the members said that some of them wished to revert to the old Broach Contract as it existed before the formation of the Board or before the war.

5. It will thus be seen that notwithstanding the desire of the Board of Directors the present constitution of the East India Cotton Association has rendered it impossible to bring about the much-needed reforms in connection with Hedge Contracts. My Committee trust the Board of Directors will use their best endeavours to remedy the existing state of things, but if this be found impossible then it would be necessary to consider seriously whether the Mucadams' Panel should not be entirely abolished, and the panels reconstituted.

6. I am directed to add that to the great surprise of this Association, it was noticed that last August the Directors of the East India Cotton Association permitted trading for all 24 hours of the day under the discretionary power given to them for use in emergencies only and they took no steps to do away with the Kacha Kandy, and no disciplinary action was taken against members of the Association who were breaking the by-laws. This Association,

as far back as June 1924, addressed a strong letter to the Directors of the East India Cotton Association in the matter, and a discussion of this was postponed as their Chairman, Sir Purshotamdas Thakurdas, was engaged in the Assembly until the end of March 1925. Since his return, the matter has formed the subject of correspondence and discussion between the two Associations for a period extending over three months, and this Association is glad to notice that the Board of the East India Cotton Association at last have taken steps to stop Kacha Kandy business by preventing members from dealing in same, and also brought the business hours in line by forcing the members to a strict observance of the by-law.

7. Taking all the facts into consideration, my Committee are of opinion that the Bombay Cotton Contracts Act might be extended for two years only, to enable the Directors of the East India Cotton Association to put their house in order and to bring their Association in line with the big Associations of Liverpool and New York. My Committee are strongly opposed to the renewal of the Act for a longer period than two years, after its expiry next December.— I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 13.

COTTON TRANSPORT ACT.

EFFECTS ON SURAT, KUMPTA AND DHARWAR UPLAND COTTONS.

D. O. 1538.

INDIAN CENTRAL COTTON COMMITTEE,

BOMBAY, *5th January*, 1925.

THE SECRETARY,

BOMBAY MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Improvement in Kumpta Cotton as a Result of the Application of the Cotton Transport Act.*

DEAR SIR,

I enclose a copy of a letter received from one of the members of your Association, Mr. Kay, giving a very clear statement of the improvement in Kumpta cotton which has resulted from the application of the Cotton Transport Act. This coincides with other opinions which I have heard expressed in Bombay. I should be grateful if you could ascertain and let me know what the experience of other members of the Millowners' Association has been in regard to the improvement of Kumpta, Dharwar and Surat cottons. The Cotton Transport Act has been the subject of attack in the Bombay Legislative Council on more than one occasion, and it seems desirable that my Committee should be in a position to make public such details as are available showing the good which has resulted from the application of the Act, especially at the present time when further legislation (Regulation of Gins and Presses) is before the Indian Legislature.—Yours faithfully,

B. C. BURT,
Secretary.

Copy of a letter No. K. P. 9/206, dated the 30th December, 1924, from J. A. Kay, Esq., c/o Messrs. W. H. Brady & Co., Ltd., Bombay, to B. C. Burt, Esq., Secretary, Indian Central Cotton Committee, Bombay.

I have just been reviewing our cotton purchases for the year which is now ending, and as we are often asked as to what effect the Cotton Transport Act has had, it will perhaps interest you to know that in 1924 we purchased for our mills something like four times the quantity of Kumpta cotton than we have done in any previous year, and this is entirely due to the fact that owing to the application of the Act, Kumpta cottons were better in class and staple and quality generally. The absence of mixed cotton, which had previously been tendered in Kumptas, was remarkably noticeable, as we have never had to complain of mixed staple.

No. 292/33 of 1925.

THE MILLOWNERS' ASSOCIATION,

BOMBAY, 18th *February*, 1925.

THE SECRETARY,
THE INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

SIR,

Cotton Transport Act in Bombay.

I am directed to acknowledge the receipt of your letter No. 1538 dated the 5th instant, and reminder thereto dated the 16th February, 1925, on the above subject, and in reply, to give below the opinions expressed by the members of my Committee in regard to the improvement of Kumpta cotton which has resulted from the application of the Cotton Transport Act.

MR. S. D. SAKLATVALA:

Although we have our ginning factory in Hubli we still had occasion to buy about 2,000 bales in 1924 of Kumpta cotton in the Bombay market for our warp mixing and our experience was the same as that of Mr. Kay. Had the cotton been of a mixed variety as before we would have refrained from buying locally for our warp mixing.

MR. N. N. WADIA, C.I.E.:

I agree with Mr. Kay that there is a marked improvement in the quality of Kumpta cotton and most of the credit is due to the working of the Cotton Transport Act.

MR. C. N. WADIA, C.I.E., M.L.C.:

The Transport Act is a sound piece of legislation and has done enormous good to the Kumpta cotton.

MR. JEHANGIR B. PETIT:

My experience is the same as that of Messrs. Kay, Wadia and Saklatvala. The Act has proved a success.

MR. RATANSI D. MORARJI:

I have also noticed a distinct improvement in the Kumpta cotton and I feel it is due to the new legislation.

MR. LALJI NARANJI, M.L.C.:

My experience as a gin and press owner in the Surat District confirms the views expressed by the above gentlemen though for different reasons. Since the legislation, inferior

cotton is not allowed to be transported to superior cotton centres and therefore superior cotton fetches the intrinsic value of their stuff as they have not to pay the cost of transport of inferior cotton which was brought to be mixed with superior cotton and pass as such. In Surat District growers are now growing more superior cotton which is sold as farm cotton.

Other members endorse the above remarks.—I have, etc.,

T. MALONEY,
Secretary.

No. 5344 of 1925.

THE INDIAN CENTRAL COTTON COMMITTEE,
BOMBAY, *29th August*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Cotton Transport Act.*

SIR,

I have the honour to refer to correspondence ending with your letter No. 292/33, dated the 18th of February, 1925, in which you were good enough to give me some information about the effect of the Act on the quality of Surat, Kumpta and Dharwar Upland cottons. Those remarks refer particularly to the 1923-24 crop. I should be most obliged if you would furnish me in the course of the next two or three weeks with any information you are able to give me in regard to the effect of the Act on the quality of these cottons for the current season.—I have, etc.,

B. S. BURT,
Secretary.

No. 1087/33 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *21st September*, 1925.

THE SECRETARY,
THE INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

DEARSIR,

Cotton Transport Act.

With reference to your letter No. 5344 dated 29th August, 1925, I am directed to inform you that my Committee are unanimously of the opinion that the Cotton Transport Act has proved a very great success inasmuchas it has brought about a decided improvement in the Kumpta and other cottons mentioned in your letter. The very favourable views expressed by some of the members of my Committee regarding the effect of the Act were communicated to you on 18th February, 1925, and I am directed to state that their further experience has greatly strengthened those views.—Yours faithfully,

T. MALONEY,
Secretary.

APPENDIX 14.

FUMIGATION OF AMERICAN COTTON.

(*Reprint from "Gazette of India."*)

No. 1493-Agri.

GOVERNMENT OF INDIA,
DEPARTMENT OF EDUCATION, HEALTH AND LANDS,
DELHI, 14*th November*, 1925.

NOTIFICATION.

In exercise of the powers conferred by sub-section (1) of Section 3 of the Destructive Insects and Pests Act, 1914 (II of 1914), hereinafter referred to as the said Act, the Governor-General in Council is pleased to issue the following order for the purpose of regulating the import into British India of American cotton :—

1. In this order—

(*i*) "Cotton" includes all ginned cotton, whether baled or loose, but does not include cotton seed or unginned cotton.

(*ii*) "American cotton" means all cotton produced in any part of America.

2. On or after the 1st December, 1925, American cotton shall not be imported into British India by means of the letter or sample post and shall not be imported by any other means save through the port of Bombay between the first of November and the thirty-first of May in any year and subject to the following conditions :—

(*a*) On or before the departure of a ship carrying a consignment of American cotton for Bombay from the port from which the cotton is consigned the consignee shall ascertain the name of the ship, the probable date of its arrival in Bombay and the number of bales of American cotton contained in the consignment and shall furnish this information to the Collector of Customs, Bombay, as soon as possible and in any case not less than three weeks before the arrival of the ship ;

(*b*) on arrival at Bombay, the cotton shall be disinfected in such manner as shall be prescribed in rules made by the Government of Bombay under Section 5 of the said Act ;

(*c*) prior to landing the cotton the importer shall pay or agree to pay a sum at a rate fixed by the Governor-General in Council sufficient to cover the cost of fumigation.

R. B. EWBANK,
Offg. Secretary to the Government of India.

(*Reprint from "Gazette of India."*)

No. 1560-Agri.

GOVERNMENT OF INDIA,
DEPARTMENT OF EDUCATION, HEALTH AND LANDS,
DELHI, 26*th November*, 1925.

NOTIFICATION.

In exercise of the powers conferred by sub-section (1) of Section 3 of the Destructive Insects and Pests Act, 1914 (II of 1914), the Governor-General in Council is pleased to direct that the following amendment shall be made in the order published with the Notification of the Government of India, Department of Education, Health and Lands, No. 1493-A, dated the 14th November, 1925, namely :—

In clause (*a*) in paragraph 2 of the said Notification, for the words " and in any case not less than three weeks before the arrival of the ship " the following shall be substituted, namely :—

" Save where the cotton is loaded for Bombay at a European port the ordinary length of voyage from which is less than 3 weeks, this information shall be furnished not less than 3 weeks before the arrival of the ship at Bombay."

R. B. EWBANK,
Offg. Secretary to the Government of India.

No. 1561-Agri.

DELHI, *26th November*, 1925.

NOTIFICATION.

In pursuance of clause (*c*) in para 2 of the Notification of the Government of India, Department of Education, Health and Lands, No. 1493-A, dated the 14th November, 1925, the Governor-General in Council is pleased to fix the rate at which the sum therein referred to is to be paid at Rs. 3-6-0 per bale, or in cases in which the importer has failed to furnish information in accord with clause (*a*) in para 2 of the said notification at Rs. 5-6-0 per bale. This rate shall cover the cost of fumigation including the cost of loading the cotton into the barge, conveyance to the fumigation wharf or bunder, unloading from the barge after fumigation and delivery at the bunder, but not including import wharfage, provided that the minimum fee for the fumigation of any consignment of cotton shall be Rs. 150.

2. In the case of samples of American cotton imported by parcel post or as ships parcels not exceeding 20 lbs. each in weight, the consignee shall pay a fee for fumigation of Rs. 2 for each parcel.

R. B. EWBANK,
Offg. Secretary to the Government of India.

(*Reprint from " Gazette of Bombay " Extraordinary.*)

GOVERNMENT OF BOMBAY,
REVENUE DEPARTMENT,
BOMBAY, *26th November*, 1925.

No. 4388/24.—In exercise of the powers conferred by Section 5 of the Destructive Insects and Pests Act, 1914 (II of 1914), the Government of Bombay (Transferred Departments) is pleased to make the following rules for the detention and disinfection of American cotton, the fumigation of which is required by the Notification of the Government of India in the Department of Education, Health and Lands, No. 1493-Agri., dated the 14th November, 1925, and of cotton which has been in contact or proximity thereto and for regulating the powers and duties of the fumigation authority, namely :—

(1) These rules may be called the Fumigation of American Cotton Rules, 1925. They will come into force from 1st December, 1925.

(2) Except as provided in Rule 5, no American cotton or any other cotton the fumigation of which is required by the Notification of the Government of India in the Department of Education, Health and Lands, No. 1493-Agri.,* dated 14th November, 1925, hereinafter called the said Notification or any other cotton which may have been in contact or proximity thereto shall be landed without

*Republished at page 3023 of Part I of the *Bombay Government Gazette*, dated 26th November, 1925.

fumigation. Such cotton shall, on arrival at Bombay, be fumigated with hydrocyanic acid gas. Fumigation shall be carried out by the Trustees of the Port of Bombay on behalf of Government. Such cotton shall be taken overside from the vessel into barges provided by the fumigation authority and shall be conveyed to the fumigation wharf or bunder in such barges, delivery being given at the fumigation warf or bunder only, after fumigation. The rate of discharge of cotton from vessels shall be so regulated as not to exceed the capacity of the barges provided for the purpose.

(3) Cotton other than American cotton which is imported into British India in a vessel carrying American cotton and loaded in the same hatch as any bale or bales of American cotton shall be deemed to have been in contact or in proximity thereto and shall be subject to the restrictions and conditions specified in the said notification.

(4) For the purposes of these rules the fumigation authority shall be the Collector of Customs, Bombay, or such officer as he may appoint.

(5) Samples of American cotton imported by parcel post, or as ships' parcels not exceeding 20 lbs. each in weight, shall be fumigated on arrival with hydrocyanic acid gas, or such other fumigant as may be approved by the Governor-General in Council, at the Customs House.

(6) All cotton the fumigation of which is required by the said notification or under these rules shall be at the sole risk of the importer during landing, transhipment and fumigation and no liability for loss or damage due to fumigation shall attach to Government or its agents.

(7) Any breach of these rules shall be punishable with a fine which may extend to Rs. 1,000.

By Order of the Government of Bombay
(Transferred Departments),

G. A. THOMAS,
Secretary to Government.

No. A/15-7/3594.

BOMBAY PORT TRUST DOCKS.

MANAGER'S OFFICE,
BALLARD ROAD,
BOMBAY, *4th December*, 1925.

To: ALL CONCERNED.

DEAR SIRS,

SUBJECT :—*Fumigation of American Cotton.*

I beg to enclose herewith copies of the following Notifications :—

Government of India,	No. 1493-Agri.,	dated	14-11-25
Government of Bombay,	,, 4388/24	,,	26-11-25
Government of India;	,, 1560-61	,,	26-11-25

wherein the general procedure to be followed and special charges leviable as the result of compulsory fumigation of American cotton are described.

For your further information, the following notes may prove of assistance :—

1. Government has provided two barges each of capacity for 200 bales of American cotton and capable of being rendered gas-tight by means of fabric hatch covers.

2. With the approval of Government, the Trustees have come to an arrangement with Messrs. J. K. & Cooper Landing Company whereby this firm has undertaken to provide further six barges with an aggregate capacity of 1,200 bales capable of being rendered gas-tight and in addition lighters of any type sufficient for 1,600 bales. Thus, the gross fleet capacity as at present arranged is 3,200 bales. The two Government barges so far as their loading, discharge and towage is concerned will be operated by Messrs. J. K. & Cooper Landing Company.

3. The strength of this fleet was arrived at by Government, in consultation with the Trustees ; the importations of the last several years being taken as a basis for what must be a speculative estimate.

4. In order that adequate time may be available for setting aside as much of this fleet as may be necessary for fumigating and transporting American cotton from ship to Haji Bunder, the Government of India have incorporated clause 2 (*a*) in their Notification No. 1493-Agri., dated the 14th November, 1925, as amended in their No. 1560 dated the 26th idem, *and it is particularly requested that shipping companies will co-operate in furnishing the advance notice stipulated therein.*

5. Ordinarily some or all of the eight gas-tight barges will be loaded at ship's side (either in the docks or stream), towed to Haji Bunder, and after fumigation and de-gassing their contents will be landed at the special site towards the North End of Haji Bunder which has been duly notified for the purpose by the Collector of Customs. The empty barges will then return to ship's side for fresh loads as may be required.

6. In the event of there being a greater importation at any one time than these eight barges can handle, the further fleet of capacity 1,600 bales will be called into use for transporting only, while the eight gas-tight barges will probably remain at Haji Bunder to be used as fumigating chambers receiving their charges of cotton from the transporting lighters.

7. By this means it is hoped that, unless importations far exceed estimates, ship-owners will not have their vessels detained ; but you will observe that in clause 2 of the rules Government have provided that the rate of discharge shall in the event of congestion be regulated to the capacity of the fumigation fleet.

8. Fumigation and de-gassing will occupy from 36 to 48 hours, so that allowing for tidal delays and towage the round voyage of a barge will occupy about three days.

9. The Trustees and their landing contractors will be under no obligation to discharge American cotton on Sundays, Charter Party Holidays and between sunset and sunrise, and if they do at the written request of the ship's representatives accept discharges of American cotton on such occasions they will be entitled to be paid an additional charge of Rs. 1-8-0 *per ton* of cotton so discharged, and it will be a condition of such discharge that the Trustees and their landing contractors shall accept no liability whatsoever in respect of the cotton so discharged and that the discharge shall be at the sole risk and responsibility of the vessel. (This extra charge for lighterage on such occasions is understood to be a generally recognised practice in Bombay.)

10. As soon as the fumigated cotton has been landed at Haji Bunder, the Docks Department of the Trust will take charge of it and will handle it as regards sorting, stacking and delivering and assume responsibility in the same manner as though it had been landed in the Docks.

11. Consignees will be required to submit full Customs, Port Trust and ship-owners' documents and pay all charges prior to delivery as at the Docks ; but for their greater convenience a small branch of the Docks Cash offices will be located at the Bunder Department Revenue office situated at Brick Bunder where payments both in cash and through Personal Deposit Accounts will be permissible. It is further to be noted that the Customs Department will be represented at Haji Bunder.

12. For the purpose of calculating extra fees arising from delayed delivery by consignees, the Trustees' sanction may be anticipated empowering the fixation of Special Landing Dates later than those of importing vessels in the Docks, in which due allowance will be made for the unavoidable delays occasioned by transportation to and fumigation at Haji Bunder.

13. Apart from extra fees, if any, the " import wharfage " specified in Government Notification No. 1561 dated the 26th November, 1925, will comprise the Docks import wharfage and the watching fees named in Sections I and X respectively of the Docks Scale of Rates plus surtax.

14. For the information of consignees, it may be mentioned that on the special site at Haji Bunder a railway siding connected with the Port Trust Railway system exists so that direct loading for up-country will be available. Booking may be arranged at the Bombay Port Trust Railway " Stores Depot Station."

15. For any further information, application should be made to the Docks Manager.

—Yours faithfully,

C. N. RICH,
Manager.

(*Reprint from the " Gazette of India," Part I, 16th January* 1926.)

No. 76 Agri.

GOVERNMENT OF INDIA,
DEPARTMENT OF EDUCATION, HEALTH AND LANDS,
DELHI, 14*th January*, 1926.

NOTIFICATION.

In exercise of the powers conferred by sub-section (1) of Section 3 of the Destructive Insects and Pests Act, 1914 (II of 1914), the Governor-General in Council is pleased to direct that the following further amendment shall be made in the order published with the notification of the Government of India, Department of Education, Health and Lands, No. 1493-A., dated the 14th November, 1925, namely :—

For clause (*a*) in paragraph 2 of the said notification, the following clause shall be substituted, namely :—

" (*a*) on or before the departure of a ship carrying a consignment of American cotton for Bombay from the port from which the cotton is consigned, the consignee shall ascertain the name of the ship, the probable date of its arrival in Bombay and the number of bales of American cotton contained in the consignment, and shall furnish this information to the Collector of Customs, Bombay, not less than three weeks before the arrival of the ship at Bombay ; provided that where the cotton is loaded for Bombay at Port Said or at a European port the ordinary length of voyage from which is less than three weeks, it shall be sufficient to furnish the information not less than 10 days before the arrival of the ship."

R. B. EWBANK,
Officiating Secretary.

(*Reprint from the "Gazette of India," Part I, dated January 30th, 1926.*)

No. 144-Agri.

GOVERNMENT OF INDIA,
DEPARTMENT OF EDUCATION, HEALTH AND LANDS,
DELHI, *26th January*, 1926.

NOTIFICATION.

In pursuance of clause (*c*) in paragraph 2 of the Notification of the Government of India, Department of Education, Health and Lands, No. 1493-A., dated the 14th November, 1925, the Governor-General in Council is pleased to direct that the following amendment shall be made in the Notification of the Government of India, Department of Education, Health and Lands, No. 1561-A., dated the 26th November, 1925, namely:—

In paragraph 1 of the said notification for the words "but not including import wharfage" the following shall be substituted:—

"but not including Docks import charges as specified in the Bombay Port Trust Scale of Rates charged at the Docks."

J. W. BHORE,
Secretary to the Government of India.

APPENDIX 15 (A).

SUSPENSION OF THE COTTON EXCISE DUTY.

DEPUTATION TO HIS EXCELLENCY THE GOVERNOR OF BOMBAY.

BOMBAY, *3rd March*, 1925.

The following gentlemen waited upon His Excellency the Governor of Bombay, as arranged:—

N. N. WADIA, ESQ., C.I.E. (*Chairman*).
SIR VICTOR SASSOON, Bart.
J. A. KAY, ESQ.
J. B. PETIT, ESQ.
N. B. SAKLATVALA, ESQ., C.I.E.
C. N. WADIA, ESQ., C.I.E.
CHIMANLAL PAREKH, ESQ. } From Ahmedabad Millowners' Association.
GORDHANDAS I. PATEL, ESQ., M.L.C. }
J. P. WADIA, ESQ., Assistant Secretary, Bombay Millowners' Association.

MR. N. N. WADIA said:—

YOUR EXCELLENCY,—It is very kind of Your Excellency to have agreed at such short notice to receive to-day a small deputation from our Bombay Millowners' Association. I am glad our friends from the Ahmedabad Millowners' Association have also joined us.

As was said so forcibly by my predecessor, Mr. S. D. Saklatvala, at the General Meeting, we fully expected that seeing that the Government of India will have a surplus in their Budget they would have acknowledged prior claim of our industry for the remission of the excise duty as had been promised by the Government from time to time. The history of this excise duty and the various controversies connected therewith have been well known

to Your Excellency I think. But the Millowners' Association has prepared a special book giving the history and the arguments for and against the existence of this duty which have been advanced from time to time, and I have much pleasure in leaving a copy thereof for the information of Your Excellency. I would only therefore in passing make a few observations about the origin and the various pretexts on which the excise duty has been kept on by the Government of India.

In 1896 when the excise duty was first introduced Sir James Westland distinctly stated that this duty was imposed "by conditions required by the Secretary of State and not by conditions which they themselves entirely or independently approve of." Sir Valentine Chirol similarly in his book on the "Indian Unrest" has said, "No measure has done greater injury to the cause of Free Trade in India than this excise duty on manufactured cotton, for none has done more to undermine Indian faith in the principles of justice upon which British rule claims, and on the whole legitimately claims, to be based."

Similarly Viceroys from time to time recognised the injustice of the existence of this duty, and in a memorable passage the then Viceroy, Lord Hardinge, in 1916 said:—

> "I need hardly say that the Government of India have no desire to create controversies here, in England or elsewhere at the present time by the discussion of questions affecting Indian interests; but they are glad to have had the opportunity of placing on official record their views that the import duty on cotton fabrics should be raised and that the excise duty should for the present remain at its actual figure, and an assurance given that it will be abolished as soon as financial conditions will permit."

These words were clear and held out a definite promise.

Further, Sir Malcolm Hailey, the Finance Minister, said:—

> "I will admit all the theoretical arguments against the cotton duty. I admit that it has an unhappy history. I admit that in itself it is not a good tax, because it is a tax on production and not on profits. But I say let us have this tax, if it is only for six months, until the Fiscal Commission can give us a scientific readjustment which will give us money without reproducing the undesirable incidence of the present tax."

Soon after the above pronouncement, the Fiscal Commission published their report, unanimously recommending the abolition of the excise duty. So, in the words of Sir Malcolm Hailey, there is no justification for the existence of this duty any longer.

As recently as September last, the Legislative Assembly after a long discussion adopted a resolution recommending the Governor-General in Council to take early steps to abolish the Cotton Excise Duty as recommended by a majority of the members of the Indian Fiscal Commission.

Therefore, after the resolution of the Assembly and knowing that there was a surplus in the hands of Government in the very difficult times we are passing through, our Association was confident that the Government of India would carry out their promise and repeal the excise duty. What was our surprise, when the Budget was issued last Saturday, to see that not a single word was mentioned about the resolution passed by the Assembly to repeal this duty, and whether the Government of India ever proposed to take into consideration this resolution either in this Budget or even the next. The Hon'ble the Finance Member is so silent in the matter that we cannot help but feel that it is not his intention ever to take out this obnoxious duty from our industry in spite of the fact that the Government of India had promised us the repeal ever since 1916 and thus recognised our claim, a claim which he never even referred to when citing the various possible claimants to the surplus, a claim promised long before the Reforms and provincial contributions were ever thought of.

Sir, seeing this position, our industry has only to face the situation as it finds itself in. So far our Association has been very unwilling to take any steps either to reduce wages of the

millhands or work short time, as they fully expected that the Government of India would carry out the promises made. The Association now has been left no choice but to face the situation as it finds it, and it is with a view to put the position clearly before you that we asked Your Excellency to receive this deputation.

Sir, it has been acknowledged even by the Commerce Member that there was no competition between Lancashire cloth and cloth manufactured by Indian mills. Even Sir Edward Stockton, the Chairman of the Manchester Chamber, acknowledged this fact and stated that the agitation of Indian millowners against the repeal of the Cotton Excise Duty was directed not against Lancashire, but chiefly against Japan who is competing with them. I spoke at length last Monday about the competition we have to face from Japan. That country imports its raw cotton from India, takes it to Japan, manufactures it into yarn and cloth, ships it back to Bombay, and after paying a duty of 5 per cent. on yarn or 11 per cent. on cloth undersells us at our very doors to that extent that at the price at which it is competing with us in Bombay, we cannot manufacture yarn or cloth at a profit. If that is the position in the Bombay market, you can imagine how much more severe the competition is in markets like Calcutta, Madras and other Indian ports where the Japanese can import direct at the same rate of freight from Japan as they can to Bombay, while we have to pay, in addition to the Bombay price, heavy rail freight from Bombay to these markets, and even more so in markets like Levant. I gave details of the price of some of the goods of that country which is competing with us. I also gave a statement to show how Japanese imports are increasing. I further stated the handicaps we were placed in—higher wages we pay to our workmen, which are about two and a half times they were in 1914, shorter hours of work, *viz.*, 10 hours a day or 60 hours a week, and others due to various other restrictive legislation which has been imposed on us by the Government of India. Our Association, as you are well aware, sir, is anxious to do everything possible to ameliorate the condition of the workpeople and to meet the wishes of the Government of India, but if we carry out these obligations imposed on us, we ask in fairness that we should not be exposed to unfair competition from countries which work not for 10 hours a day but 22 hours a day in two shifts, which employ even women labour at night, and which do not pay their workmen the same rate of wages as we do.

In spite of the clever remarks made by the Finance Member, I would like him to carefully study how far Japanese exchange of Rs. 112 for 100 yen at present (against normal 150) help on this competition of Japan against us and how far his whole exchange policy with a view to fixing exchange at 1s. 6*d*. would affect our industry, and owing to Japanese depreciated exchange how far we are seriously threatened by this competition.

Sir, it therefore behoves the members of our Association to see how we can withstand this competition. Our only hope in the repeal of the excise duty has been shattered. The only other course that is left for us is either to reduce wages or work short time in these difficult days. The stocks of yarn and cloth are accumulating week after week and unless we reduce prices we cannot dispose them off even at a loss. As will be seen from the balance-sheets of various companies that are being issued lately (perhaps Your Excellency has seen some of them), the bulk of the mills have made heavy losses in 1924 and some that have made a little profit are hardly able to cover their depreitation charges.

The Committee of the Association will watch the situation from day to day very carefully, and if compelled and they have got no other course open, then only they would proceed to ask the workmen to share their misfortunes and agree to a reduction of wages or work short time. A reduction of wages will enable us to meet Japanese competition better than going on short time which would only relieve our stocks but will increase our working costs. The alternative will then be for us either to work 2 days a week short time or ask for a reduction of 20 per cent. on the present wages. As I have said above, only if compelled, the Committee will then leave to the votes of the members of our Association to decide what course to adopt.

Your Excellency will say that if we adopt any of these courses then there is sure to be strike and trouble in the city of Bombay as well as up-country. But, sir, in view of the Japanese competition and the difficult times we are passing through, we will have no other

alternative but to ask our workmen to make a sacrifice to allow us to pass through this period if we are to survive. If they do not agree to that and go on strike, then we will have to be prepared to take the consequences. Your Excellency must not then blame us that we have taken this step without warning your Government. We are very sorry the necessity is in sight for taking this step. We wish it hadn't, as up to now we were living in hopes that the repeal of the excise duty would have enabled us not to ask the millhands to make any sacrifice from their wages.

I would like to point out to the Hon'ble the Finance Member of the Government of India that he has conveniently forgotten that the surplus in the Budget is due largely to the excise duty paid by our industry in this Presidency, which has been paid in former years out of profits when we did make profits, but this year paid out of capital or savings, and also due to the large amount of income-tax and super-tax obtained from this Presidency in previous years, and if it had not been for revenue from this Presidency the Government of India would not have been able to give away contributions to other provinces out of their surplus income which they have derived principally from this Presidency.

MR. J. A. KAY, adding to what had been said by Mr. Wadia, laid emphasis on the fact that the Japanese were not observing the Conventions which were passed in 1919 at the International Conference at Washington regarding the hours of labour, especially the 60-hour week, and laid stress that the Millowners' Association had addressed the Government of India on this matter, and asked the representatives going from this country to take up this matter at the International Conference to be held this year as to why the Japanese, having subscribed to this Convention, were not observing the same. But the Government of India in the usual way had said that for diplomatic reasons they could not interfere or force a friendly nation to carry out a convention which they had agreed to. It was most unsatisfactory and unfair, therefore, that we should be forced to observe a convention which our competitors were not carrying out.

MR. G. I. PATEL, M.L.C., on behalf of the Ahmedabad Millowners' Association, endorsed every word of Mr. Wadia, and added that they in Ahmedabad had reduced the wages of workmen in 1923 by 16 per cent., but had promised the Labour Union that they would not further reduce the wages unless the Bombay mills also reduced. But now seeing that the competition was severe which they themselves felt in Ahmedabad, if the Bombay millowners take the step of reducing the wages of workmen, they would have to follow suit if they are to preserve the industry. Therefore, as Mr. Wadia had said, there might be trouble in Ahmedabad as well as in Bombay, and he endorsed what Mr. Wadia said that the Government of Bombay should not blame them if strikes occur.

SIR VICTOR SASSOON and MR. N.B. SAKLATVALA both endorsed all that had been said by the previous speakers. Mr. Saklatvala specially drew attention to the fact that a sum of 341 lakhs had been wiped out from the Government of India revenue on account of loan to Persia in this year which might have been spread over a number of years. So also a further sum of 82 lakhs discount charges in respect of loan. His Excellency might therefore represent to the Government of India in the matter and see if these cannot be wiped off in 4 or 5 years, so that there would be a surplus to enable them to repeal the excise duty.

HIS EXCELLENCY at the outset thanked the members for coming and putting before him plainly the facts of the case as they have done. In any grievance or difficulty connected with the prime industry of Bombay, he was always glad to receive a deputation and hear the views of the two Associations connected therewith, and he was therefore glad that they had approached him direct in the matter. He further pointed out that it was not a surprise, as Mr. Wadia had said, to the two Associations only, but to him as well as to his Government also that no relief was given to the Bombay Presidency in the shape of provincial contribution or in the shape of excise duty, while all the other provinces were going to derive benefit from the surplus which practically the Bombay Presidency had helped to build up. He said that out of the total revenue of 2.10 crores from excise duty, nearly 1.80 crores or more than 80 per cent. were contributed by the Bombay Presidency. Further out of a total revenue of 17 crores from income-tax and super-tax nearly 6 crores were contributed by this Presidency,

and it was these large contributions given from this Presidency that had enabled the Finance Member to show a surplus, and if, therefore, any relief was to be given, this Presidency was certainly entitled to prior consideration.

As regards the excise duty, His Excellency was very sympathetic with the deputation, but said that as this was an imperial matter, he could not very well touch on the merits of the case. The industry, however, had his personal sympathy in the matter. He knew that the industry was suffering from Japanese competition and the facts Mr. Wadia had placed before him would be conveyed by him to the Imperial Government. But he would suggest the Bombay Millowners' Association and the Ahmedabad Association should jointly send through the Government of Bombay a representation to be forwarded to the Government of India. He further added that he hoped the position of the industry would improve, and it would not necessitate asking the workmen to agree to a reduction of wages or going on short time. But if such a step had to be taken by the two Associations then he advised that the Committee of both Associations should take into consultation first the principal workers of their mills and the head jobbers, and if possible the labour leaders of the various unions, and ask them to co-operate with them in the difficult times and thus, if possible, avoid any strikes, and he hoped that no strikes would occur if the workmen were properly approached in this way.

In conclusion, His Excellency said that he would forward any official representation of the views of the two Associations to the Government of India, when received, but mentioned that he was in constant communication with the Viceroy on these and other matters affecting Bombay which arose out of the Imperial Budget.

APPENDIX 15 (B).

MEMORIAL TO THE VICEROY.

No. 433/43A of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 18*th March*, 1925.

THE CHIEF SECRETARY TO THE GOVERNMENT OF BOMBAY,
GENERAL DEPARTMENT, BOMBAY.

SIR,

On behalf of the Bombay Millowners' Association and the Ahmedabad Millowners' Association, I have the honour to forward you herewith two signed copies of a Memorial to His Excellency the Viceroy and to request you to kindly forward the Memorial to him. I also forward 20 additional copies for transmission to the Government of India.—I have, etc.,

T. MALONEY,
Secretary.

TO HIS EXCELLENCY THE RIGHT HON'BLE
RUFUS DANIEL ISAACS, EARL OF READING,
P.C., G.C.B., G.M.S.I., G.M.I.E., G.C.V.O.,
Viceroy and Governor-General of India in Council.

THE HUMBLE MEMORIAL OF THE BOMBAY MILLOWNERS' ASSOCIATION AND THE AHMEDABAD MILLOWNERS' ASSOCIATION.

RESPECTFULLY SHEWETH,

That Your Memorialists are two Associations of persons, firms and companies owning or interested in the cotton manufacturing mills of India, and are representative of a very large share of the said industry.

2. That since the year 1896, the cotton manufacturing industry of India has been subjected to an Excise Duty of 3½ per cent. on all cloth manufactured in Indian mills.

3. That the said duty was levied by the Government of India not on their own initiative but under pressure from the Imperial Government as was admitted at the time by Sir James Westland, the Finance Member of the Government of India.

> "I would not be dealing straightforwardly with the Council," said Sir James Westland, "if I pretend that this measure was recommended by the Government of India on its own merits...I cannot help thinking that the Government is placed in some difficulty in defending the provisions of a Bill which they have professedly brought forward as imposed upon them by conditions required by the Secretary of State and not by conditions which they themselves entirely or independently approve of."

4. That since the date of its very imposition, the Cotton Excise Duty has evoked bitter resentment among people of all shades of opinion, both official and non-official, and it has been condemned on all hands as violating the recognised principles of taxation, being a tax on production of a prime necessity of life.

5. That in 1916, Lord Hardinge, on behalf of the Government of India, solemnly pledged the abolition of the Cotton Excise Duty in the following memorable words :—

> "I need hardly say that the Government of India have no desire to create controversies here, in England or elsewhere at the present time by the discussion of questions affecting Indian interests ; but they are glad to have had the opportunity of placing on official record their views that the import duty on cotton fabrics should be raised and that the excise duty should for the present remain at its actual figure, and an assurance given that it will be abolished as soon as financial conditions will permit."

6. Sir Valentine Chirol, in his book on "Indian Unrest" has said :—

> "No measure has done greater injury to the cause of Free Trade in India than this Excise Duty on manufactured cotton, for none has done more to undermine Indian faith in the principles of justice upon which British rule claims, and on the whole, legitimately claims to be based."

7. In the course of the debate that took place in the House of Commons on 14th March, 1917, His Majesty's Secretary of State for India, Mr. Austen Chamberlain, spoke of the Cotton Excise Duty as "an open and running sore" and added "It has offered a ready weapon to every ill-wisher of our rule ; it has been the theme of every seditious writer ; not only that, it rankles as an injustice and an indignity in the mind of every loyal Indian who cares about these things."

8. In the speech referred to in the preceding paragraph, Mr. Austen Chamberlain further remarked that "more striking than the unanimity of sentiment among the representatives of Indian opinion is the unanimity of sentiment among the British, where you might have expected divergence of view." In support of this statement, Mr. Chamberlain quoted the opinion of the Viceroy and of the Governors of the two most important provinces of the country. Lord Hardinge in his famous despatch to the Secretary of State characterised the Cotton Excise Duty as "a purely adventitious piece of injustice." Lord Willingdon, the Governor of Bombay, said :—

> "As to the economic question, I entirely agree about the Excise Duty ; India can no longer be exploited for the benefit of political parties at home. This view may appear to come strangely from one who was a party man not many years ago, but perhaps it comes with all the more force on that account, seeing that, after knowing more of the subject, I am clear as to the iniquity of the present tax."

Lord Carmichael, the Governor of Bengal, said :—

"I have heard this duty discussed by people of all sorts. I have never heard any one try to defend it, though I have heard people who, or whose friends, profit by it, say, that they hope the Government won't give up supporting it."

9. That during this debate in the House of Commons, His Majesty's Prime Minister, Mr. Lloyd George, remarked as below :—

"Take all the great leaders of Indian opinion. Take the late Mr. Gokhale, who, I suppose, was the greatest liberal reformer ever produced in India. He spoke repeatedly and strongly, against these Excise Duties. He made constant appeals to this country to repeal them. He was one of the very best friends that British rule ever had in India, and, speaking as a friend of Great Britain, and as one anxious that we should strengthen our hold upon the population of India, he never ceased to protest against the Excise Duty and to appeal for its abrogation. There was also a Member of this House who was himself an Indian and who sat here for years. He was, I think, a Member for a London constituency. I have heard him repeatedly speak strongly on this subject in this House. Take other Indian representatives. Take the Native representatives on the Council of India. Take the Indian National Congress. Take every shade of Indian opinion. It is perfectly unanimous in its condemnation of the Excise Duties which have been imposed, and in its demand that they should be repealed."

10. That in 1922, the pledge given by Lord Hardinge six years earlier was further confirmed by Sir Malcolm Hailey, the Finance Member of Lord Chelmsford's Government, in the following words :—

"Both Lord Hardinge and Sir William Meyer gave expression to a sentiment which I still feel, and my colleagues, I am sure, still feel that the Cotton Excise Duty in itself *qua* countervailing duty was undesirable and that it ought ultimately to be removed."

11. That in 1922 Sir Malcolm Hailey made the following admissions regarding the Cotton Excise Duty :—

"I will admit all the theoretical arguments against cotton duty. I admit that it has an unhappy history. I admit that in itself it is not a good tax, because it is a tax on production and not on profits. But I say let us have this tax, if it is only for six months, until the Fiscal Commission can give us a scientific readjustment which will give us money without reproducing the undesirable incidence of the present tax."

12. That soon thereafter the Indian Fiscal Commission published their report, in which they stated that "the existing Cotton Excise Duty should, in view of its past history and associations, be unreservedly condemned, and that the Government of India should frankly express their desire to clean the slate."

13. That in February 1923, a resolution was moved in the Legislative Assembly recommending, *inter alia*, a policy of discriminating protection as the one best suited to the interests of India. The Hon'ble the Commerce Member moved an amendment which, *inter alia*, stated :—

"That this Assembly recommends to the Governor-General in Council :—

(*a*) That he accepts in principle the proposition that the fiscal policy of the Government of India may legitimately be directed towards fostering the development of industries in India.

(*b*) That in the application of the above principle of protection, regard must be had to the financial needs of the country and to the present dependence of the Government of India on import, export and excise duties for a large part of its revenue."

The inclusion of the word " Excise Duties " in Sir Charles Innes' amendment created misgivings in the minds of several members of the Legislative Assembly inasmuch as it appeared to give Government a loophole for the indefinite postponement of the abolition of the Cotton Excise Duty but the anxiety of members was allayed by assurances solemnly given by Sir Charles Innes and Sir Basil Blackett, that the Cotton Excise Duty would be abolished in the near future.

14. That in September 1924, the Legislative Assembly passed a resolution urging the abolition of the Cotton Excise Duty.

15. That in the course of the debate the Hon'ble the Commerce Member said :—

" There is no Britisher in India who does not regret that this tax was ever put on."

and the Hon'ble the Finance Member said :—

" I should not be averse to being the Finance Member in whose period this historic wrong was righted."

16. That in the course of the said debate, the Hon'ble the Commerce Member also acknowledged that there was no competition between cloth manufactured in Lancashire and cloth manufactured by Indian mills.

17. That Sir Edward Stockton, the Chairman of the Manchester Chamber, speaking the other day in Manchester, endorsed this fact and stated that the agitation the Indian mills were carrying on against the repeal of the Excise Duty was directed not against Lancashire, but against Japan.

18. That for the last three years, the Indian Mill Industry has faced almost unprecedented depression, stocks are accumulating, and margins are dwindling. The recently published balance-sheets of several mills reveal a most dismal outlook.

19. That one of the most disturbing factors the Indian Cotton manufacturing industry has had to face is the increase in the importation of Japanese goods into this country. Owing to the high degree of protection enjoyed by Japanese mills, it has been possible for them to sell their goods in the Indian markets at prices which are often less than what it costs Indian mills to manufacture similar goods. It is a fact beyond controversy that Japan importing its raw cotton from India, paying freight thereon, manufacturing it into yarn and cloth and shipping it back to India and paying a duty of 5 per cent. on yarn and 11 per cent. on cloth, can sell its yarn and cloth in Bombay at a price at which no Indian mill can manufacture similar yarn or cloth to yield a profit. It can be imagined that the competition in the markets of Calcutta and Madras, to which ports the Japanese can ship their manufactures at the same rate of freight as they do to Bombay, while the Bombay mills have to bear railway freight in addition, is even more severe. It is, however, a well-known fact that special shipping rebates and other concessions are granted which aids the sale of such goods manufactured in Japan in competition with goods manufactured in India.

20. That owing to Factory legislation the Indian mills now work for only 10 hours daily or 60 hours weekly. Other legislative restrictions have been imposed on Indian mills by the Washington Convention of 1919. The Japanese representatives at Washington subscribed to this Convention but it was never ratified by them, and your Memorialists state with a due sense of responsibility that the Japanese Millowners have not carried out the terms of this Convention and Hours of Labour have not been restricted. Japanese mills still work 22 hours a day in two shifts ; they even employ women labour at night. Furthermore, wages are lower in Japan, hours of work longer and the general conditions under which work is carried

on much inferior to those existing in Indian mills. Your Memorialists submit that it is not equitable, when they loyally carry out the terms of a Convention which seriously handicaps them in competing with a country which has not ratified it, they should be further handicapped in their struggle by the continuance of this inequitable tax.

21. That Sir Phillip Cunliffe Lister, the President of the Board of Trade, in speaking at the House of Commons the other day, said:—

> "Before an industry can obtain inquiry for protection under the safeguarding of Industries Act, it had to show not only that some countries' wages were lower but that the competition was exceptional and the imports were abnormal."

The figures shown in Appendix will prove that the competition from which the Indian mills are suffering is exceptional and increasing year by year, and that the imports were abnormal from Japan, especially taking into consideration the latest figures for 10 months ending 31st January, 1925.

22. That the Japanese exchange has depreciated abnormally compared with the par of Rs. 150 for 100 yen, the present rate being Rs. 112, and this depreciated exchange further assists such competition against the Indian mills.

23. That owing to protective duties levied in Japan the shipment of yarn and piece-goods from India to Japan and China has now practically ceased while Japanese goods are being imported into India to compete with Indian Mills. That the shipment of yarn from India to China having ceased Indian mills have had to instal more looms to use the products of the spindles.

24. That under the above circumstances and the pledges given to the Indian Mill Industry from time to time by successive Viceroys, and Government Members it was hoped that the Finance Member in his Budget this year, seeing that he had a surplus, could have seen his way to repeal the excise duty charged on Indian Mills, that instead of repealing this duty, the Finance Member has utilised the surplus in remitting provincial contributions of Madras, Bengal, United Provinces and the Punjab, and not given any relief to the leading industry in India, *viz.*, the Cotton Mill Industry or to the Bombay Presidency.

25. That the pledge of Viscount Hardinge, Viceroy of India, in 1916, was given to the Mill Industry long before the Reforms were granted and the provincial contributions were fixed between the provinces and the Central Government. Your Memorialists submit that as the pledge to the Mill Industry was prior in date, it should be carried out by the Finance Member.

26. The major portion of the Cotton Mill Industry in India is situate in the Presidency of Bombay. Out of the excise duty of 2·10 crores paid by the Indian mills to the Central Government, nearly 1·80 crores are paid by the mills in Bombay Presidency. That in the past, the Government of India derived large revenues from the Bombay Presidency in the shape of income-tax and super-tax to the extent of 6 crores out of a total revenue under this head of 17 crores. If a final blow is struck to the Indian Mill Industry the Bombay Presidency as a whole will be seriously affected as its progress and welfare principally depend on its Mill Industry.

27. Your Memorialists therefore pray that Your Excellency's Government will take the above facts into consideration and repeal the Cotton Excise Duty.

And your Memorialists will, as in duty bound, ever pray.

For and on behalf of the Memorialists,

N. N. WADIA,
Chairman, Millowners' Association, Bombay.

CHAMANLAL G. PAREKH,
Chairman, Ahmedabad Millowners' Association.

T. MALONEY,
Secretary, Millowners' Association, Bombay.

BOMBAY *dated 17th March*, 1925.

APPENDIX.

Imports of Piece-goods from Japan.

Years.	Grey.		White, Bleached		Coloured Printed.		Total.	
	Yds.	Rs.	Yds.	Rs.	Yds.	Rs.	Yds.	Rs.
1914-15	15,264,548	2,735,384	....	....	709,422	131,729	5,973,970	2,867,113
1915-16	34,852,218	6,070,237	....	....	3,348,781	649,571	38,200,999	6,719,808
1916-17	75,620,590	17,011,804	....	....	21,936,803	6,582,961	97,557,393	23,594,765
1917-18	73,278,195	24,966,750	2,601,847	1,026,870	18,676,305	6,657,915	94,556,347	32,651,535
1918-19	206,838,198	90,033,559	10,483,894	5,400,701	20,806,046	10,973,879	238,128,138	96,408,139
1919-20	62,743,594	29,000,244	2,753,233	1,529,564	10,455,547	6,332,771	75,952,374	36,862,579
1920-21	150,428,376	71,730,642	3,819,617	2,249,446	16,074,955	9,716,140	170,322,948	83,696,228
1921-22	83,490,368	33,740,763	1,860,766	877,367	4,924,076	2,083,457	90,275,210	36,701,587
1922-23	90,036,967	35,237,503	2,375,105	1,209,810	15,366,024	6,042,754	107,778,096	42,490,067
1923-24	96,172,300	36,128,899	2,307,209	958,539	23,422,240	8,857,156	121,901,749	45,944,594
10 months ending 31st January 1925 ..	92,452,964	34,339,559	3,960,593	1,661,667	31,806,600	11,689,564	128,220,157	47,690,790

APPENDIX.

FIGURES OF YARN IMPORTS FROM JAPAN.

	lbs.	
1914-15	921,730	1,225,280
1915-16	701,929	778,135
1916-17	4,007,635	5,310,625
1917-18	4,206,491	8,289,480
1918-19	27,280,386	53,291,503
1919-20	1,917,955	6,070,600
1920-21	20,122,799	48,993,773
1921-22	14,915,009	22,565,181
1922-23	26,546,905	32,042,449
1923-24	20,430,025	28,517,605
Ten months ending 31-1-25 ..	28,826,573	41,010,776

No. 3365-G/24.

REVENUE DEPARTMENT,
BOMBAY, 13*th May*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Cotton Excise Duty—Memorial for repeal of.*

SIR,

With reference to your letter No. 433-43-A, dated 18th March, 1925, I am directed by the Governor in Council to state that the Government of India, to whom the memorial of your Association for the repeal of the Cotton Excise Duty was forwarded, have intimated that it will receive their careful consideration.—I have, etc.,

R. DAVAR,
for *Secretary to the Government of Bombay,*
Revenue Department.

APPENDIX 15 (C).

MEETING WITH THE HON'BLE SIR CHARLES INNES.

Proceedings of a Special Meeting of the Committee of the Bombay Millowners' Association held on Thursday, 2nd April, 1925, at 11 a.m. (S.T.) in the rooms of the Association.

Present:

N. N. WADIA, ESQ., C.I.E. (*Chairman*).
RATANSI D. MORARJI, ESQ. (*Dy. Chairman*).

THE HON'BLE SIR D. E. WACHA, KT.
J. A. KAY, ESQ., M.L.C.
J. B. PETIT, ESQ.
MUNMOHANDAS RAMJI, ESQ., J.P.
N. B. SAKLATVALA, ESQ., C.I.E.
S. D. SAKLATVALA, ESQ.
H. H. SAWYER, ESQ.
F. F. STILEMAN, ESQ.
F. STONES, ESQ., O.B.E.
T. MALONEY, ESQ. (*Secretary*).
THE HON'BLE SIR CHARLES INNES (*Hon'ble Member for Commerce*).

THE CHAIRMAN in his opening remarks welcomed Sir Charles Innes on behalf of the Association and thanked him for having consented to meet the Committee of the Association at such very short notice.

Mr. Wadia then explained that the reason he had invited Sir Charles to meet the Committee was to place before him certain other facts in connection with the present position of the Mill Industry which there had not been sufficient time to discuss fully during the interview accorded by Sir Charles to himself and the Secretary of the Association during his recent visit to Delhi.

In the course of his remarks the Chairman very clearly brought out the following points :—

(1) That the cost of the 3½% excise duty to mills has greatly increased during recent years as compared with pre-war years. At the present time the excise duty costs on the average about three-quarters of an anna per lb. of cloth produced as against little over one-fourth in 1913-14. The reason for this was that the price of cloth had increased very considerably owing to increases in prices paid for raw cotton owing to world shortage of cotton, stores, etc., and increased taxation and very much higher wages and shorter hours of labour. The result being a shirting which cost eight annas per lb. to produce in 1914 now costs 20 annas to produce at present prices of cotton. The result was Government were collecting about two and a half times the duty collected in 1914, *viz.*, 210 lakhs against 84 lakhs, *i.e.*, practically 126 lakhs more on account of this cause.

(2) *Incidence of the Excise Duty.*—In his speech during the recent Budget debate, Sir Charles had made use of certain figures and information supplied to him by Mr. Wadia, during an interview in Delhi. Mr. Wadia thanked Sir Charles for having put the facts so very clearly before the Assembly but wished to call attention to one deduction made by Sir Charles in that same speech regarding the passing on of the tax to the consumer and wished to correct, if possible, the impression created by Sir Charles, that the remission of the excise duty would cause no decrease in prices to the consumer and that if the excise duty were remitted the whole of the benefit would go into the pockets of the millowners. Mr. Wadia called attention to pages 74-76 of the Association's publication in regard to Excise Duties, where the effect of abolition to the consumer is dealt with, and particularly to the statement :—

> " If the agriculturist of India will not pay a price for his cloth which is sufficient to pay for the cost of production plus the amount of the excise duty whilst the tax is in existence, he certainly will not pay a price equal to the cost of production plus 3½% after the tax is abolished ; neither will he be expected nor can he be made to do so by the millowners of this country."

There was not the slightest doubt that if the Excise Duty had been taken off, or if it were taken off in the near future, the mills of India would be willing to reduce the price of their production by an amount equal to the cost of the tax.

(3) *Difficult Times.*—Sir Charles' attention was drawn to the difficult times through which the industry was now passing. Two mills in Bombay, *viz.*, the Dinshaw Petit Mill and the Hongkong Mill, had already closed down from the 1st April and the prospect for

many other mills is very bad indeed. Non-members of this Association, *viz.*, The Birla Mills, had already started to reduce wages. In this instance the reduction made had been about 10%. The Association did not wish, if other means could possibly be found, to reduce the wages of their operatives, and he certainly thought that the Government of India might have extended some help to the industry. According to the figures given by the Chairman to Sir Charles Innes at Delhi of one of the mills, it was seen that in that mill, cotton, coal, stores, *i.e.*, all raw materials, cost Rs. 1,18,00,000, cost of manufacture was 41 lakhs of which wages were 25 lakhs, excise duty 5 lakhs, interest 4 lakhs, local and municipal taxation 3/4 lakhs, the balance being commission, brokerage and sundries. So there was no direction in which mills can make a reduction in cost of manufacture except by reduction in wages under present circumstances. This position was acknowledged by Sir Charles in his speech in the Assembly.

(4) *Japanese Competition.*—The Chairman said he did not wish to enlarge on the subject of Japanese competition, regarding which the facts were already very well known to Sir Charles Innes. In yarn the imports of Japanese goods equal 7% of the total yarn production of Indian mills and 14% of the Indian yarn marketed in this country. In piece-goods the imports are somewhat less than in yarn. As would be observed from the figures given in the recent memorial to the Viceroy, both classes of imports had shown great increases during the last two years. The position was all the more serious inasmuch as the Japanese and the Chinese had already taken away from us our export markets like Zanzibar, Levant, etc. Considerable doubt would appear to have been thrown on arguments used in regard to Japanese competition by the Association, and that being the case, the Chairman desired to bring to the notice of Sir Charles Innes figures from the official return issued by the Japanese Federation of Master Cotton Spinners. The monthly returns from November 1924 were placed before Sir Charles and particular attention drawn to the following facts:—

> "That the majority of employees were women. The return showed 126,000 women employed as against 36,000 men. No mention was made in the return as to the number of children employed but it is generally recognised that scarcely any restriction is placed on the employment of children in that country. The hours worked per day, as shown in the return, were 22 in the majority of cases and the working days per month were generally 27 and in one or two instances 29 out of 30 days. The system of hours generally followed in the Japanese mills was a two-shift system of 11 or 11½ hours each. Women and even children appear to be indiscriminately employed on night and day shifts. Even if the Japanese industry enjoyed no other advantages than these quoted above, the Chairman asked whether Sir Charles considered it fair that the Indian Textile Industry, and particularly that portion of it located in the Bombay Presidency, should be exposed to such unfair competition and whether the Government of India were prepared to do anything which would help them to counteract it. The Chairman further pointed out, as mentioned in the memorial, that the Japanese Government had not ratified and were not carrying out the Washington Conference Conventions which representatives of that country had agreed to and which the Government of India had imposed on our industries."

(5) *Rebates on Textile Exports.*—In addition, however, to the advantages which the Japanese industry had in regard to hours of labour and cost of labour, the Chairman pointed out that it had come to his notice that the Japanese Federation gave a rebate on exported yarn and cloth. With the yen at its present level (110 Rs. per 100 yens) this meant a rebate of 8% in the case of 20's yarn which is now selling at about Re. 1 per lb.

(6) *Depreciation in Japanese Exchange,*—The depreciation in Japanese exchange had also helped the Japanese to compete more favourably during the last two years. This gives them a tremendous advantage in competing. Owing to appreciation of rupee-sterling exchange to 1*s* 6*d* and depreciation of sterling-yen exchange to 1*s* 8*d* the present rate of rupee Japanese exchange was for 100 yen Rs. 110 against normal Rs. 150 which equals a depreciation of 27%. It might be argued that a depreciated Japanese exchange also meant that

the Japanese had to pay more for their raw cotton which they import from India. This was quite true but it should be remembered that this disadvantage was more than compensated for by the fact that the Japanese obtain the benefit of the exchange on the full price of the finished product, whereas they were only disadvantaged in regard to exchange in the cost of the raw material, *i.e.*, cotton which accounted for about 80% in case of yarn and of 60% in case of the cost of the finished cloth.

(7) *Tentative Proposals.*—In the interview the Chairman had with Sir Charles in Delhi, two suggestions had been made:—

(*a*) *An Export Duty on Cotton.*—In regard to this proposal Mr. Wadia, pointed out that it was generally understood when an export duty on cotton was proposed during the war the Japanese Government had intimated that the imposition of any such duties would be regarded as an unfriendly act and for this reason the Government of India then gave up all idea of levying any such duty. As India was the only large market from which Japan could obtain cotton of the type required in the production of the lower counts of yarn, such tax would apparently be sound and would not in any way affect the price obtained by the cultivator. He trusted that the Government of India would closely investigate the possibility of levying an export duty, as he was of the opinion that such a duty would prove a regular and effective source of revenue and would perhaps assist the Indian Cotton Mill industry.

(*b*) *A higher Import Duty on Yarn and Cloth below* 30*'s Counts.*—The suggestion of a higher import duty on the coarse yarn and cloth which competed with the products of the Indian Cotton Mill Industry also appeared as though it would materially assist the Indian Mill Industry. It would of course be difficult to distinguish cloth composed of counts about the dividing line of 30's but he had no doubt that if proper safe- guards were taken and the necessary testing appliances installed in the chief Customs ports the scheme would be feasible. If there is any likelihood of the idea being taken up by the Government of India, it would have the fullest support of this Association and details can be worked out of a scheme.

(8) *Increase of Taxation.*—The Chairman then called attention to the enormous increases in imperial, provincial and municipal taxation on the Cotton Industry during recent years and mentioned as examples the cotton cess, town duty on cotton, the duty on machinery and mill stores, etc., etc., levied by the Government of India and the Government of Bombay and increases in rateable property tax, water and halalkhore rates by the Municipality.

(9) *Labour Legislation.*—Mr. Wadia pointed out that a halt was necessary in regard to Labour legislation and drew attention to the fact that India was practically the only country in the world, and certainly the only country in the East, which faithfully ratified one and all of the International Labour Conventions, Japan apparently always promising to ratify but never carrying out her promises. In this connection the particular injustice which would be done to the industry if the Maternity Benefit Bill were passed was drawn attention to. In no country in the world, he thought, was an industry called upon to pay the full cost to maternity benefits.

The following other points were brought to the notice of Sir Charles Innes by various members:—

(10) MR. J. A. KAY asked Sir Charles whether the Government of India were prepared to help in persuading Japan to ratify the International Conventions already ratified by India, and particularly that of the 60-hours week. It was quite true that Japan was under no legal obligation to ratify this Convention but it was obviously unfair that she should have turned down the promises made on her behalf by her representatives at Washington whereas other countries had faithfully carried out their promises.

(11) MR. S. D. SAKLATVALA referred to Sir Charles Innes' September speech in which he stated that the economic grievance of the Indian Textile Industry in regard to the excise duty had decreased since the import duty had been raised to 11%. As a matter of fact Mr. Saklatvala thought that the grievance was increased, not decreased, because we now have to pay more than about two crores per year in excise duty whereas formerly we paid about one-tenth of that amount. Another point made by Mr. Saklatvala related to this year's Financial Bill which included the clause allowing importation of healds and reeds at 2½% duty. The last Finance Bill which was thrown out by the Assembly had also a similar clause, but in the 1924 Finance Bill bobbins were included. He wished to know the reason for the non-inclusion of bobbins and whether it would be possible to have them included.

(12) MR. J. B. PETIT called attention to the fact that the country demanded the abolition of the excise duty not only on historic and political grounds but on economic grounds also and asked that the Government of India should in the future pay greater attention and give greater sympathy to the representations made by this Association.

SIR CHARLES INNES in his reply thanked the Association for the opportunity and privilege given to him of coming into closer contact with the Association. One thing which struck him very much indeed was the moderation which had been shown by members of the Committee in putting forward their views on a subject in regard to which they had obviously very deep feelings and pronounced views. He also wished to make it clear to the Association that until Mr. Wadia, had interviewed him in Delhi the Association's case had never, he thought, been adequately put forward. He wished to assure the Association that the Government of India was sympathetic to the cotton industry and that they were prepared to stand by the pledge given by Lord Hardinge in 1916. Their difficulty was that they had to make a choice between two pledges—that of Lord Hardinge, and the pledge to the Provinces in regard to remission of provincial contributions. That being the case it had not been found possible this year to reduce provincial contribution and also to remit the excise duty. The Government had been compelled to put provincial contributions first and their recommendation had been endorsed by the Assembly.

He then referred briefly to the various points referred to by the previous speakers. He accepted the Chairman's statement that for the reasons given by the Chairman the excise duty represented 9 pies in the cost of a pound of cloth against rather more than 3 pies before the war.

As regards the incidence of the tax, he thought that generally speaking the position had been correctly stated by the Fiscal Commission when they said that "the excise duty falls on the producer who is however able to meet it from the enhanced price that he obtains for his goods owing to the duty on imported cloth." If, however, goods were being imported at a price at which the Indian producer could not sell at a profit, then the excise duty did fall on the producer.

He sympathised with the industry in the difficult times through which it was passing and he hoped that this phase would merely be a temporary one and that prospects would soon improve again. He suggested that the depression was probably worse in Bombay. He had been told by at least one millowner in a different part of India that the excise duty made little or no difference to him. Depression was possibly exceptionally bad in Bombay owing to the high wages necessarily paid in Bombay and to the pressure of local taxation.

As regards Japanese competition, he would be obliged if he could be supplied with a copy of the statement from which Mr. Wadia had read extracts.

As regards the proposal that an export duty should be levied on raw cotton exported from India, he would have the case examined afresh and the result of the investigation would be discussed with the Association as soon as it was completed. Personally, he was generally opposed to the principle of export duties, for the reason that it was almost impossible to tell where the incidence of the duty would fall. He regarded them, generally speaking, as dangerous duties, because the producer might not be able to pass on the duty to the foreign consumer, and if so, the duty would recoil on our own producers. He was aware that the

question of an export duty on raw cotton had been examined more than once by the Government of India, but he believed that the reason why the proposal had been negatived was the one which he had just given. It must be remembered that the market for short-staple cotton which India produced in such large quantities was a limited one. In fact, the bulk of the exports of this class of cotton went to Japan. He believed that exports of cotton to Japan amounted on an average to something like 15 lakhs of bales per year. It would be a serious thing for the Indian cultivator if these exports were checked by the imposition of an export duty, and he thought he was correct in saying that it was because of this danger that the proposal had never been agreed to by the Government of India. Was there not a danger that if the price of Indian cotton were too high, the Japanese would turn to a better class of cotton, say from America or other markets ? He would like further information on this point.

He also promised that an investigation would be made by the Government of India as to the possibility of imposing a higher import duty on yarn and counts of cloth below 30s, but he pointed out that in this investigation the effect on the price to the consumer in India would have to be taken seriously into consideration. It was a point which would weigh very much with the Assembly.

As regards increased taxation of which Mr. Wadia had complained, Sir Charles said that in most countries of the world industries were complaining of the heavy burden of taxation. He had taken a note of the special taxation borne by the Bombay Textile Industry and on his return to Delhi he would see how the proposal of the Bombay Corporation to impose a terminal tax stood. He was not certain whether the Government of India, were in a position to oppose the proposal. He thought that it was merely proposed to substitute a terminal tax for an octroi tax which had been in force prior to 1st January 1917. But the matter was one which he would have to look into on his return to Delhi.

The Association's views in regard to labour legislation would be communicated by him to the Member for Industries and Labour. If the Association thought so strongly in regard to the proposals for further legislation now before the country, he had no doubt they would put their views forward as strongly as possible in their representations to the Local Government and the Government of India. He asked Mr. Wadia whether he had ever considered the subject of a Federation of Employers' Associations in India. He thought that such a Federation would be of great assistance to employees in making their influence felt in regard to proposals for legislation affecting industries.

The subject of the ratification of the Hours of Labour Convention by Japan did not come within the purview of the Commerce Department, but he would certainly pass on to the Member for Industries the views expressed at the meeting. Speaking entirely personally, he saw no reason why the Government of India should not allow their representative to assist the case which the Indian Employers' representative proposed to bring forward at the next meeting of the International Labour Organization in regard to the ratification of the 60-hour week by Japan. He suggested that the Department of Industries and Labour should be supplied with copies of the brief to be given to Sir Thomas Smith in this connection for use at the next International Labour Conference. If the Government of India decided to support the Employers' representative in this matter, he thought that efforts might also be made to enlist the support of representatives of the British and other Governments.

Sir Charles explained that the reason why bobbins had not been included in the list of articles which would be subject to the lower import duty in future was owing to the fact that at the last moment it was brought to the notice of his department that a bobbin factory had been started in the United Provinces, and until further details as regards production in the factory were available, it was thought advisable to leave the import duty on bobbins at the old level.

Sir Charles ended up by saying that he wished to make it clear that the Government of India were not unsympathetic to representations made by the Association on behalf of the Textile Industry. Government recognised that in all matters appertaining to the Textile industry of India this Association was an expert authority and their views were always given the greatest respect, consideration and attention.

At the conclusion of the proceedings, on the motion of the Chairman a very hearty vote of thanks was accorded to the Hon'ble Sir Charles Innes.

J. P. WADIA,
Acting Secretary.

APPENDIX 15 (D).

MEETING WITH THE HON'BLE SIR BASIL BLACKETT.

Proceedings of the Special Meeting of the Committee of the Bombay Millowners' Association held in the rooms of the Association on Thursday, the 2nd July, 1925, at 2-30 p.m. (S. T.) to meet the Hon'ble Sir Basil Blackett, K.C.B.

A Special Meeting of the Committee was held on 2nd July, 1925, to confer with the Hon'ble Sir Basil Blackett, K.C.B., Finance Member to the Government of India, regarding the present critical situation of the Indian Cotton Mill Industry. The Hon'ble Mr. D. T. Chadwick, C.S.I., C.I.E., I.C.S.; Mr. H. Denning, I.C.S.; Controller of the Currency, and Mr. A. V. V. Aiyar, C.I.E.; Deputy Controller of the Currency, were present. The following members of the Committee were present on the occasion :—

N. N. WADIA, ESQ., C.I.E. (*Chairman*).
RATANSI D. MORARJI, ESQ. (*Deputy Chairman*).

THE HON. SIR DINSHAW E. WACHA, KT.
SIR FAZULBHOY CURRIMBHOY, KT., C.B.E.
J. A. KAY, ESQ., M.L.C.
LALJI NARANJI, ESQ., M.L.C.
H. P. MODY, ESQ.
JEHANGIR B. PETIT, ESQ.
MUNMOHANDAS RAMJI, ESQ.
N. B. SAKLATVALA, ESQ., C.I.E.
H. H. SAWYER, ESQ.
F. F. STILEMAN, ESQ.
F. STONES, ESQ., O.B.E.
MADHAVJI D. THACKERSEY, ESQ.
H. F. COMMISSARIAT, ESQ.
J. P. WADIA, ESQ. (*Acting Secretary*).

THE CHAIRMAN in opening the proceedings of the Meeting said :—

SIR BASIL BLACKETT,—I have much pleasure on behalf of my Committee to welcome you to-day and to thank you for having given us, at such very short notice, this the first opportunity of meeting you.

2. The reason why the Committee of this Association wished to meet you was that they desired to place before you the facts and explain the position in connection with the present difficult situation through which the Mill Industry is passing. When I had last the pleasure of meeting you in Delhi in the beginning of March, I had not sufficient time in the interview accorded by yourself to me and the Secretary of the Association, to place before you all the facts in connection with our present position.

3. Since that day, however, the Committee of this Association had the pleasure of a special discussion with the Hon'ble Sir Charles Innes on Thursday, the 2nd April, when we put the undermentioned points so that the Government of India may be aware of the position of our Mill Industry.

4. The situation, since then, if anything has got worse. Stocks of cloth and yarn have increased month by month, as will be seen from the figures herewith attached. It will be seen from the statement that the present stocks of cloth are 161,000 bales and of yarn 56,000 bales, so the Bombay mills alone have stocks of the value of 8 crores of rupees. Even with the present heavy stocks, although the mills are continuing working full time, the demand is still so poor as regards consumption of cloth and yarn that the time has arrived when the

bulk of the mills have to consider seriously the question of working short time or reducing these stocks in some other way as the mills find difficulty in financing their holdings.

5. The Committee of this Association therefore regret that the Government of India did not see their way to abolish the excise duty in accordance with the resolution passed by the Legislative Assembly last September, and thus help the Indian Cotton Industry. I need not take up your time by giving you the history why and how the excise duty came to be levied and how its imposition had caused bitter resentment among all shades of opinion. We have fully given the history of it in our memorial to H. E. the Viceroy. Lately at the Bombay Dinner in London, Sir George Lloyd expressed it as the greatest mistake made.

6. It must be remembered that the cost of 3½ per cent. excise duty to the mills is greatly increased in recent years as compared with the pre-war years. At the present time, the excise duty costs on an average ¾ anna per lb. of cloth as compared with a little over ¼ anna in 1913-14. The reason for this is that the price of cloth has increased very considerably on account of the increased price paid for cotton due to world's shortage of cotton, increased price of stores, etc., and increased taxation, very much higher wages and shorter hours of labour. It will also be remembered that local made shirtings which were sold in 1914 at about 8 annas per lb. now cost 18 annas a lb. to produce at present price of cotton. The result was the Government collected two and a quater times more duty than in 1914, owing to the increase in price of raw cotton and in consequence increased cost of manufacture of cloth. The present collection of 210 lakhs by the Government of India from excise duty is greatly due to this cause, besides more production of cloth on account of increased number of looms in India.

7. It will be remembered that formerly Indian mills, specially Bombay mills, used to export large quantities of yarn and piece-goods to Japan and China, which have now practically ceased owing to protective duties levied in Japan. Shipments of yarn to China have also materially diminished owing to Japanese mills underselling Indian mills in that market, the result being that shipments of yarn from India to China having practically ceased, the Indian mills have had to instal more looms to use the product of their spindles. Therefore there has been an increased production of cloth by Indian mills which has brought more revenue to Government, while it has brought the industry in difficult times.

8. Sir Charles Innes in his speech in the Assembly gave certain figures on information supplied to him by me during the interview in Delhi. One deduction he drew in that speech regarding the passing on of the tax to the consumer, our Committee has desired me to correct. In his view, the remission of the excise duty would cause no decrease in price to the consumer, and that if the duty is removed, the whole of the benefit would go to the pockets of the millowner. This was incorrect inasmuch as under Section 10 of the Indian Tariff Act, 1894, the millowners were bound to give benefit of this remission of excise duty to their merchants. Naturally it would follow that they must correspondingly reduce the price of cloth they were selling in retail. But if the agriculturist in India will not pay a price for his cloth which is sufficient to pay the cost of production plus the amount of excise duty while the tax is in existence at present, he certainly will not pay a price for cloth equal to the cost of production plus 3½ per cent. if the tax is abolished. Neither can he be expected nor will he be made to do so by the millowners of this country. My Committee feel sure that there is not the slightest doubt that if the excise duty is taken off in the near future, the mills in India will certainly reduce the price of cloth by an amount equal to the cost of the tax in order to enable them to get increased sales and thus reduce the present heavy stocks of cloth in the mills.

9. The Mill Industry in India, especially in Bombay, is passing through, as you are aware, sir, very difficult times. There are four mills in Bombay at present which are entirely closed down. The prospect for the other mills is very bad; indeed some of the mills have already given notice of reduction of wages by about 20 per cent. The Association does not wish, if other means can possibly be found to alleviate the position, to reduce the wages of their operatives, and I am certainly of opinion that if the Government of India had helped the industry by the abolition of the excise duty, we would not have been forced to seriously

consider the question of reduction of wages. You will remember, sir, when at Delhi, I placed before you certain figures of one of my own mills and showed that for that mill, cotton, coal and stores and raw materials cost Rs. 118 lakhs, cost of manufacture 41 lakhs of which 25 lakhs were wages, 5 lakhs excise duty, 4 lakhs interest, ¾ lakh, local and municipal taxation, and balance being sundry expenses including commission and brokerage, and by these figures I think I was able to convince you that there was no other direction in which the mills could make a reduction in the cost of manufacture except by a reduction of wages under the present circumstances. Both yourself as well as Sir Charles Innes in the speech in the Assembly acknowledged this fact. Since I put those figures the position has become graver. The Committee of this Association have from time to time been considering the position of the industry, and only last week they decided to post a preliminary notice at all mills that in the difficult times through which the industry is passing if the position did not improve soon, the millowners would have to come to a decision before the end of July as to what further steps they should determine to take in the shape of reduction of wages and/or working short time.

10. I want to impress upon you, the position is entirely grave, that as per statement I placed before you, stocks have increased steadily month by month, that mills find difficulty in financing, and they cannot continue to hold stocks and increase them indefinitely. Therefore they have given a preliminary notice, and the Committee of this Association will have to make up their mind, by the end of this month at the latest, what further steps they should take. They have privately spoken to some of the labour leaders and explained the position to them, and if possible in coming to a decision, they will do so in consultation with the leaders of workmen.

11. Sir, the facts regarding Japanese competition are well known to you. In yarn, the import of Japanese goods last year came to 7 per cent. of the total yarn production of Indian mills and 14 per cent. of the Indian yarn marketed in this country. In piece-goods also the imports from Japan are in similar proportion. From the figures given in the "Seaborne Trade Returns" for the period ending March 1925, it will be seen that both classes of imports, *viz.*, yarn and cloth show great and steady increases during the last two years, and the position has been rendered more serious for the Indian mills inasmuch as the Japanese and Chinese have already taken away our export markets like Zanzibar and Levant, etc. There have been considerable doubts thrown on the argument used by this Association in regard to Japanese competition. Therefore it is necessary for us to place before you, as we did before Sir Charles Innes, the official returns issued by the Japanese Federation of Master Cotton Spinners. From this return it would be observed that the majority of the employees were women, and the latest return shows 126,000 women employed as against 36,000 men. No mention has been made as to the number of children employed, but it is generally known that scarcely any restriction exists in the employment of children in that country. The hours of work per day as shown by their return are 22 in the majority of cases, and the working days per month were generally 27, and in one or two instances 29 out of the 30 days. The system of shifts generally followed in the Japanese mills was two shifts of 11 to 11½ hours. Women and even children are employed without discrimination both on day as well as night shifts. If the Japanese industry enjoyed no other advantage, was it fair, I would ask you, sir, that the Indian textile industry, and particularly that portion of it located in the Bombay Presidency, should be exposed to such unfair competition, and whether the Government of India would be prepared to do anything which would help us to counteract it? Questions as to the hours of labour add number of days worked by the Japanese mills in spite of their agreeing to the Washington Convention, were raised lately in the British House of Commons, and the Under-Secretary of State for India confirmed the above statements which we make to you. If the Japanese Government have not ratified the Conventions which they agreed to and which the Government of India have imposed on our industry, then it cannot be gainsaid that our Mill Industry in this country is subject to unfair competition.

12. We have been at great pains to find out the exact position as regards any rebates obtained by the Japanese factories for export of yarn and cloth. From some information we have got, we understand that all textile goods manufactured in mills in Japan, either silk,

cotton or hemp mixing, have to bear a 10 per cent. consumption duty if sold for local use, and if such goods are exported, and a customs permit is produced, then the 10 per cent. consumption duty is refunded. This is our information as regards manufactured cloth. If such 10 per cent. rebate is given, then it is evident that the Japanese are getting a rebate of 8 per cent. on their goods after allowing margin to them for export freight, insurance, etc., more especially as they are protected in their own country by heavy import duties.

13. The depreciation in Japanese exchange has also helped the Japanese to compete more favourably during the last two or three years. Owing to the appreciation of the rupee-sterling exchange to 1*s.* 6*d.*, and depreciation of sterling-yen exchange to 1*s.* 8*d.* as against the normal of 2*s.*, the present rate of rupee-yen exchange is Rs. 107 for 100 yen instead of the normal Rs. 150 or nearly 30 per cent. depreciation. Some people have argued that as the Japanese manufacturers have to buy cotton in India, pay freight and take it to Japan, owing to the depreciated exchange they have to pay more for their raw cotton which they import from this country. It is quite true, but it has to be remembered that this disadvantage is more than compensated for by the fact that the Japanese obtain the benefit of exchange on the full price of the finished product, whereas their only disadvantage is in regard to exchange on the cost of raw material, *viz.*, cotton, which accounts only for 60 per cent. of the cost of the finished product. Therefore, their obtaining the full advantage of the depreciated exchange on the finished product combined with the rebate they receive, enable them to compete successfully with the Indian mills in spite of their having to pay 5 per cent. import duty on yarn and 11 per cent. on cloth.

14. When Sir Charles Innes met this Committee, two proposals were discussed with him to alleviate the present situation, (*a*) an export duty on cotton and (*b*) a higher import duty on yarn and cloth made of 30s counts and under. As regards export duty on cotton, it was generally understood that when a duty was proposed during the war, the Japanese Government had intimated that the imposition of such a duty would be regarded as an unfriendly act, and so the Government of India during the war gave up all idea of levying such a duty. As India was the only large market from which Japan can obtain cotton of the type required for the production of lower counts of yarn, my Committee are of opinion that such a tax would apparently be sound and would not in any way affect the prices obtained by the cultivator. My Committee therefore requested Sir Charles Innes to closely investigate the possibility of levying such an export duty, as they were of opinion that such a duty would be a regular and effective source of revenue, and would perhaps indirectly assist the Cotton Mill Industry of India. Sir Charles Innes then promised that he would have the case examined afresh, and the result of the investigation would be discussed with the Association as soon as it was completed. Personally he was opposed on general lines to the principle of export duty for the reason that it was almost impossible to tell where the incidence of duty would fall. He considered them as dangerous duties because the producer may not be able to pass the duty on to the foreign consumer, and in such a case the duty would recoil on our own producers. In his opinion, on these grounds the Government of India had negatived such a proposal for levying an export duty, and if by the imposition of such an export duty the Japanese found that the price of Indian cotton was too high, then they would turn to the better class of cotton, say from America or other markets. Our Committee have seriously considered those arguments of Sir Charles Innes but they were still of opinion that the Japanese like the Italians cannot afford to turn away to American cotton for production of low counts of yarn, owing to big difference in price, and they will have to buy Indian cotton, and therefore in our opinion such an export duty would not be detrimental to the Indian cultivators at all, but would indirectly help the Indian Mill Industry here.

15. As regards the second proposal that a higher import duty on yarn and cloth of 30s counts and under which competed with the products of the Indian mills be levied, if the Government of India agreed to this, it would materially assist the Indian Mill Industry. On this proposal, Sir Charles Innes told us that he would have an investigation made, but he would like to know what would be the effect of such a duty on the prices to the consumer in India.

15*a*. We have only yesterday received a long letter from Mr. Chadwick in which he says that it is the opinion of the Government of India that both our proposals regarding an

export duty on cotton or higher import duty on yarn and goods manufactured from yarn of 30s counts and under are not practicable. In his letter he quotes a number of figures and draws certain conclusions from them. We have had no time to examine his figures and weigh his arguments. They will be subjected to further examination, and we will probably discuss this matter fully with Mr. Chadwick on Monday. But I may remark that it is not the question of the volume of competition at present that is affecting us so much as the low prices at which the Japanese are offering to sell their goods in the market in competition with us, which reduces the price in the whole market and thus it affects us materially. For instance, 20s yarn has been sold by Japan at 13½ to 14½ annas a lb. to-day and drills at about Re. 1 per lb., a price at which mills here can barely manufacture such goods at cost, and this low price, although it may not affect the volume of competition, spoils the market and makes the business unprofitable to us.

15*b*. In this connection, although we do not wish to make much of the development of the Mill Industry in Japan since 1914, the figures are interesting as they point out that the development of the industry in India has been very slow as compared with that of Japan and China, and therefore I give the following figures :—

	India.	China.	Japan.
		Spindles.	
1910 ..	6,195,671	750,000 (approx)	2,099,764
1921 ..	6,870,804	1,650,000	4,161,126
1924 ..	8,313,273	3,581,214	4,877,000
		Looms.	
1910 ..	82,725	3,700	17,702
1921 ..	123,783	7,660	54,924
1924 ..	151,485	22,477	64,460

These figures speak for themselves, and you will see both the spindles and looms have increased in far greater proportion in China and Japan than in India.

From the above it will be seen that in India in 1910 there were 6,200,000 spindles and in 1924 8,300,000 while in Japan there were 2,000,000 in 1910 and in 1924 4,900,000 spindles. Similarly as regards looms, in India in 1910 there were 82,000 and now 151,485 looms, while in Japan in 1910 there were 17,702 looms and in 1924 64,000 looms, with the result that with double-shift working the Japanese production of yarn increased in the last fourteen years by five times, and of cloth by eight times, while the Indian mills were roughly producing in yarn 33 per cent. more, and in cloth only about 70 per cent. more than in 1910. This increased production in Japan was diverted to India and other markets, which competed unfairly with the Indian mills.

Again, the remarks I have made above with regard to our losing the Levant, Zanzibar, Uganda and African markets will be found from the rapid advance made by Japan as competitor in these markets. According to the figures given, the total importation of cotton goods in Uganda in 1924 was 34,000,000 yards approximately as against 19¼ millions in 1922, and this rapid increase of Japanese competition taking away our other export markets is telling seriously on our industry.

16. In this connection, I would like to draw your attention to the enormous increase in imperial, provincial and municipal taxation on the Cotton Mill Industry during these years The increase in the amount of excise duty collecting, owing to world's shortage of cotton, I have men ioned above. Similarly, owing to the high prices of machinery and stores, chemicals and dyes imported, the import duty on such articles now amounts to a considerable figure, which is paid in the form of taxation to the Government of India. Further, the Government of India have levied a cess for the work of the Indian Central Cotton Committee. There have been tremendous increases in local taxation both by the Government of Bombay and the Municipal Corporation. The Government of Bombay have levied a duty of Re. 1 per bale of cotton passing through Bombay whether used in mills or exported, for the

work of the Development Department. The Bombay Municipality have increased the rateable value of all properties, and consequently the general property tax and the halal-khore tax have been increased. They have also increased lately the water tax which used to be about 7 as. 6 ps. per thousand gallons to Re. 1 per 1,000 gallons. These heavy taxes are again having their effect on our industry, and unless all parties combine to reduce taxation we do not consider trade will revive, as it is the wish of the Government of India and all concerned. Again, instead of reducing any of the taxes as I have pointed above, the Municipality are now proposing to levy what is called a terminal tax on all goods passing through Bombay. This terminal tax is supposed to be a substitue fotr octroi tax which has been in force up to now. But if it is proposed to substitute this tax, why many more articles like machinery, coal, petrol, stores, etc., on which the Government of India already levy an import duty, are included in the schedule of terminal tax, which were not included in the present octroi tax. It is for the Government of India to find out whether such an imposition of terminal tax would not conflict with their customs tariff, and on that ground alone, we contend that the Government of India should not allow it. If the Corporation wish, they might be allowedto put terminal tax only on such articles as are at present subject to the octroi duty.

17. The Government of India have in the last two or three years imposed a lot of legislation on our industry. Workmen's Compensation Act, the new Factory Act, and such Acts certainly inflict additional burdens on the industry. India is practically the only country in the world, and certainly the only country in the East, which faithfully carried out all of the International Labour Convention resolutions. Japan always promised to ratify but has never carried out her promise to observe such conventions. Mr. Joshi, a member of the Legislative Assembly, has brought forward the Maternity Benefit Bill. Such Bills if enacted will cause particular injustice to our industry. In no country in the world was an industry called upon to pay the cost of maternity benefit, but the State under its Health Insurance enactments provided such benefits. Why should therefore the factory owners be asked to bear the burden of such maternity benefits? Women are not employed in factories alone, they do many other kinds of work in the P.W.D. roads, bridges, and building work, etc. Should not such women get maternity benefits, and why is Mr. Joshi's Bill brought for the factory women only? It cannot be contended that maternity is caused by any work they do in factories or as a result thereof, and therefore we can't understand the mentality of men like Mr. Joshi who proposes to impose burdens on industries which find work and employment for labour in large numbers. Sir Charles Innes promised to put our views on labour legislation before the Government of India, and I hope, sir, you and he will bear in mind our remarks when any such wild proposals are brought forward for enactment before the Assembly.

18. The bulk of the remarks I have made above, as well as our difficulties, have been explained to the Government of India from time to time in the various representations we have sent in. We had the honour of sending to His Excellency the Viceroy a petition on behalf of this Association and the Ahmedabad Millowners' Association, representing these facts as late as on the 17th March, 1925, and so far we have had no reply except a mere acknowledgement from His Excellency. We are living in difficult times and none of us sitting around this table and who have been connected with the industry for the last 30 years, can remember an equally grave period in the history of the Textile Industry, and if the Government of India at this time are unable to help us, then the industry will have to struggle on and solve its difficulties as best it can in conjunction with the workmen, because if our industry does not thrive, if we have to shut down or work short time one or two days a week, then our workmen will suffer equally with us in these hard days. We therefore feel the Government of India, with all their wonted sympathy for the workmen, should help us so that the labourers may not suffer.

19. Sir, If there had been in India, as there has been in England, a Safeguarding of Industries Act, we would have asked you to put the provisions of such an Act in force to safeguard our industry at present times against foreign competition. We have had before us the rules to be applied by the Board of Trade under this Act. We have carefully studied them, and we can claim that as required under the first rule, our industry applying for

enquiry in regard to the whole of its production, can reasonably and truly be regarded by the Government of India as of substantial importance to the country on account of the very considerable number of employees engaged in the production of our textile goods. As regards Rule 2, from my remarks you will see, sir, that we have made out a *prima facie* case that the competition of foreign imports in the industry is exceptional, and that by reason of such competition, employment in the production of textile goods in this country is likely to be seriously affected. We have also shown that such exceptional competition comes largely from Japan, and partly from Italy where the conditions are so different from those in this country as to render the competition unfair. The competition is unfair because (*a*) of the depreciation of currency operating so as to create an export bounty, (*b*) that subsidies, bounties and other reliefs are given, and (*c*) that in Japan especially inferior conditions of employment of labour, as regards hours of employment as compared with those among persons employed in production of similar goods in this country, are existing.

20. The Indian Fiscal Commission in their valuable report have made certain proposals regarding the dumping of goods of foreign countries. I would again respectfully draw the attention of the Government of India to their recommendation in this respect, especially paras 133 to 141.

21. Here I will also quote you the views of Sir Montague Turner, the Chairman of the Chartered Bank of India, Australia and China, in his speech at the last Annual General Meeting of the shareholders held in April last in London :—

> " It is interesting to note that the Japanese cotton and spinning mills have had a prosperous time, paying dividends ranging from 16 per cent. to 48 per cent. in 1924 as against very much lower profits shown by similar mills in England and the United States. This prosperity (temporary though it may be) is mainly due to protection combinations to keep up domestic prices, and longer working hours. The mills work 27 days per month with an average day of 19 hours divided into two shifts. But against this it is right to record the fact that Japanese labour is much less efficient than Western labour. Roughly speaking, in Japan 36 operatives are required for every 1,000 spindles, *i.e.*, 18 for each shift while in the United States and Great Britain only five operatives are said to be employed for each 1,000 spindles, *i.e.*, one shift.
>
> " This prosperity of the Japanese cotton mill industry is in striking contrast to the present position of the same industry in Great Britain and India. The Bombay cotton mills especially have had, and are having, extremely bad times. It is therefore not surprising that Bombay millowners and their sympathisers are clamouring loudly and insistently for the immediate abolition of the 3½ per cent. cotton excise duty.
>
> "Imports of yarn from Japan into India have greatly increased to the detriment of Lancashire goods. In the last 9 months of 1924 imports of cotton twist and yarn from Japan into India totalled 25,500,000 lbs.—a very substantial increase on previous years. So also in the case of unbleached grey goods, the imports from Great Britain have decreased while shipments from Japan to India have increased. The facts are worthy of serious consideration."

I would also draw your attention to a minor point before closing, *i.e.*, about the duty on stores, sizing ingredients, machinery, etc., we have to pay to Government. Even at the present time, the Government might help the industry by a remission of these duties on cotton mills.

22. Sir, I think now I have made clear the serious position of the Mill Industry, which is causing much anxiety to our Committee and all members of the Association. On our industry depends the welfare and progress of the city of Bombay and the Presidency. Last year, this Presidency contributed to the Central Government over Rs. 180 lakhs out of the 210 lakhs obtained by Government in the shape of excise duty. If the excise duty is not removed, the Bombay Presidency as a whole will be seriously affected as its progress and welfare, as I have mentioned above, principally depends on this Mill Industry. It will seriously

affect the Government of India also, because although the Government of India may obtain 210 lakhs from the excise duty, they will lose far more than that amount in the shape of income-tax and super-tax which they would collect in good years from this Presidency. As you are aware, sir, all industries have to pay an income-tax of one anna and half in the rupee, one anna company's super-tax, and super-tax from private individuals; all these go to the coffers of the Government of India. It has been calculated, I cannot say definitely, that nearly 5 to 6 annas in the rupee is the share of the Government of India in the profits of all industries. If that is so, the Government of India are also co-sharers and co-benefiters with us, in our profits, and are losers if we do not make profits. In fact, we can call the Government our partners. Itis, therefore, for you, sir, as Finance Member, to consider which is the best course for the Government of India to adopt, whether to give up the excise duty and thus help the Indain Cotton Mill Industry and if it comes to a flourishing condition to share in the profits, at the same time finding employment for a large number of workers, or whether to keep on the present excise duty and earnless income-tax and super-tax from this Presidency and jeopardise the position of the largest industry in this country and the workers employed therein. It is for the Government of India also to say whether they would, by any other proposals, something on the lines we have indicated, help the industry to tide over our present difficulties. Sir, time is short and we cannot carry on indefinitely awaiting the decision of the Government of India. We will have to decide this month as to what steps we will require to take as all the mills find difficulty in financing their stocks, and cannot sell them even at cost price.

23. Unless therefore the Government of India are prepared to take prompt measures, we shall have no further alternative but to ask our labour to share our misfortunes and meet us either by accepting a reduction of wages and/or working short time. We shall be very reluctant to take any such step, but we have no other alternative left. We relied on the Government to help us by the repeal of the excise duty, but our hopes failed. We have therefore to meet the serious position which we find ourselves in. If the Government of India are even now prepared to act and say that they would repeal the excise duty in the September session of the Assembly we shall carry on anyhow for another two months as we do not wish to take any steps against labour until all other avenues are closed to us.

24. One last word before I close. We have been seriously considering whether to go on short time to relieve the present stocks at mills. But if we work short time, our manufacturing costs for yarn go up by ¼ anna per lb., and for cloth by ⅝ anna per lb. if only one day short time is resorted to, and double that if we work two days short time. Therefore, obviously we shall be much worse off if we adopt short time, though it might temporarily relieve our stocks, inasmuch as our manufacturing costs would go up, and the millhands would lose about 33 per cent. of wages if two days short time was adopted. We would prefer the millhands to accept our suggestion of 15 to 20 per cent. reduction in wages and allow us to work full time, so that we can sell our cloth cheaper and get the stocks moved ; but from what we understand from some labour leaders, they are afraid that if once the wages are reduced, they will never be restored and therefore the millhands would prefer short time but not reduction of wages. This point will be the subject-matter of discussion between some of the labour leaders and our Committee next week.

25. I would also invite your attention to the difficulty which is experienced in all markets, by want of credit. It is not for us as a body of millowners to say what that is due to. It is for you as Finance Member to find out the cause and to remedy it if you are convinced that such want of credit exists.

26. Sir, we have put all the facts as far as we can before you, and I would now ask the other members of the Committee to place before you any other points which they wish to clear, before you give your reply.

THE HON'BLE SIR BASIL BLACKETT, in the course of his reply, said :—

When I received your telegram inviting me to attend the meeting of your Association, I was in some doubt as to what I ought to do. It was obvious to me, on the one hand, that having newly arrived from England, and not being in touch with the Government of India

for the past three months and knowing nothing of what had transpired during that period in regard to the two questions you have raised, I would not myself be in a position to add anything or take the matter any further than what I explained in the discussions during the last meeting of the Legislative Assembly in Delhi. I arrived in Bombay this morning, and after interviewing the Chamber of Commerce, and having received these papers in the interval between lunch and this meeting, I have come here without even having had the time to peruse the correspondence which has taken place between your Association and the Commerce Department. I had therefore doubts as to what I would be able to say. I felt, however, that the industry which you represent is one of the most important industries in India and it is an industry which is of immense importance to the Bombay Presidency, and is of common interest to every one in India. I did not want to give the appearance of in any way belittling the importance of the industry which you represent and the gravity of the situation which confronts the Mill Industry at the present time. I think there is no difference between us on the first point, that the Cotton Mill Industry is of first-rate importance to India and it is at present passing through great difficulties and that it is of common interest to all. I therefore felt that on the whole it was my duty to accept your invitation. It was a decision arrived at solely with the view of meeting face to face the persons engaged in the industry, which would afford better facilities for discussing the problems than from a distance of nearly 1,000 miles, facilities which members of Government are always prompt to appreciate.

The points to which you have drawn attention may, I think, be summed up under the headings:

(1) Exchange. (2) Cotton Excise Duty. (3) Japanese Competition. (4) Depression in Trade.

First of all as regards exchange, I am glad to see that you, sir, have said only a little on the subject and have not endorsed the opinion which I have heard put forward in various quarters that the rise in exchange is causing the difficulty. As far as I can make out, the level of prices in India is very much the same now as two years ago when the exchange was 1*s.* 4*d.*, and a sudden fall to 1*s.* 4*d.* could not but affect prices very much. The rise may affect the question of wages of labour, but if the wage was not more than sufficient two years ago, it would not be otherwise now, and therefore I think it would be dangerous to take arbitrary action and reduce the exchange to 1*s.* 4*d.* and thereby reduce by an indirect way all wages. But the thing which has brought the Mill Industry in India to the suffering which it is undergoing to-day is, I think, the disease of under-consumption. This complaint is found not only in India, but right throughout the world; under-consumption due to the after-effects of the world war and to the Bolshevik revolution and to general *malaise* in all parts of the world and particularly in parts which are large consumers of cotton goods.

As regards excise duty, I am afraid I am not in a position to say anything at all. I have listened with great interest to all the points which you have put forward, and the matter was, as you are aware, very carefully discussed by the Government of India last March. I think at that time, if I remember aright, we were all agreed that the excise duty had a bad history and we were also agreed that it must be abolished as soon as financial circumstances permitted. There was also a considerable measure of agreement in the view that although the Cotton Mill Industry would very much like to see the duty abolished, and its abolition would relieve the position somewhat, yet it would not touch at the root of the problem. I see, Sir, that you suggest now that it should be abolished during the next session of the Assembly in September. I am not in a position to hold out any hopes on that proposal. I have not, as I said, had the opportunity of discussing the matter in Simla with the Government of India, and therefore I cannot say anyhting in the matter. I should only be doing an injustice if I were to hold out any considerable hope in that direction.

The question of Japanese competition is one which I understand has been considered by the Commerce Department during the past few months. I have some difficulty in speaking on the subject of cotton excise duty and the Japanese competition as they are, strictly speaking, subjects belonging to the Commerce Department, and the Member in charge is Sir Charles Innes. I understand that you are to have a meeting with Mr. Chadwick, who is

at present in the happy position of a listener to-day. On Monday he will, I am sure, with a considerable amount of statistical evidence, discuss it in detail. I therefore feel that he would be likely than I, to do more justice to these points and I leave it at that. But I do recognise that in the matter of Japanese competition, the millowners have a fair case for drawing the attention of the Government of India. There is a tendency in India to regard Government as the root of all evil, and to ask them to apply remedies. But in this case the existence of Japanese competition appears to be a very serious matter and one which requires careful consideration. The remedy you have suggested, *i.e.*, an export duty on cotton, has, I understand been examined by the Commerce Department and, I am sure, by the Finance Department, in my absence and a reply has been given to the effect that it would not be considered by the Government of India as a desirable method to be adopted. If that is so, I am sure that on principle I am entirely in agreement with the Government of India. I have always disliked export duties, as also transit duties, terminal tax, etc., which you mentioned in another part of your speech. I always dislike export duties and I think they are dangerous duties to play with. The other suggestion which you have made is, I understand still under the consideration of the Commerce Department, and I am sure Government will only be too anxious to consider any practical suggestion relating to the question of Japanese competition which may be brought up. Mr. Chadwick will be discussing this question in detail with you on Monday. But what I would say just now is about the tendency of people looking to the Government for a remedy, and on this subject I would like to know whether the Mill Industry is sure whether they have explored all other available sources, and whether they have in the past done everything to avert a situation like this? Have you examined the case of a mill, say, which was earning huge profits five years ago and had not distributed any large dividends, but built up a reserve fund or some similar fund in times of prosperity for a future occasion, and financed itself in the wisest way not relying too much on future contingencies and too little capitalisation? and is it not possible that the system of managing agents obtaining at the present time may be improved? I ask these questions only in the hope that I may give some stimulus to find out the root cause of the present evil and thereby help to a solution being arrived at.

I feel I cannot go deeper into these questions, interesting as they are to a Finance Member, and when I accepted your invitation, I came here more a listener rather than to express my opinion or make a statement. I am very glad to have had an opportunity of meeting you, gentlemen, and to have heard from your Chairman a very full and, I think, a candid statement of the position of the Mill Industry to-day, and to take away with me the file of papers which he has given me. I will do what lies in my power to search for a remedy for the situation which has caused anxiety to every one,—anxiety to the millowners, anxiety to the Bombay Government and also to the Government of India—because the prosperity of Bombay and the prosperity of the Mill Industry are essential factors in the prosperity of India as a whole financially, politically and economically.

At the conclusion of the Hon'ble Sir Basil Blackett's speech, the Chairman raised the question of Imperial Preference and asked whether the attention of the Government of India was drawn to the speech of Sir George Lloyd at the Bombay Dinner, and if the Government were really anxious to protect the interests of the Empire, why they did not do anything to save them from the present Japanese competition.

MR. CHADWICK replied that they had seen Sir George Lloyd's speech. The practical point to bear in mind about Imperial Preference was that it afforded a method of differentiating against non-British goods without infringing treaties. As far as Japanese competition was concerned, they had a most-favoured-nation agreement which they had to observe. This was of assistance to India. In the last 6 to 8 months they had a very serious discussion with Japan, because she was endeavouring to get away from the agreement and trying to impose heavy duties on Indian pig-iron to the advantage of similar commodities from Manchuria. They invoked the Commercial Treaty with considerable success in this connection. He had no instructions to discuss Imperial Preference but it did afford an immediate and practical method of differentiating in duties.

SIR FAZULBHOY CURRIMBHOY said that he was glad to see that the Finance Member recognised that the Cotton Industry was of great importance, but although the Government

showed great sympathy they had not done anything in concrete form. The Finance Member had a surplus, but even with that he could not see his way to abolish the excise duty. Instead the Government collected the duty even from mills which were losing, and this was a sort of capital levy on the industry.

MR. KAY pointed out that he was somewhat concerned in reference to the Finance Member's remarks regarding internal management of the mills which, he submitted, had been the subject of articles in what he considered a somewhat sensational Press, and he hoped the Finance Member was not taking away with him any wrong impression of the situation. He pointed out that in most industries and even in Government departments there was good and bad management, and he desired to impress upon Sir Basil that the case presented was not of the worse management of the Bombay mills, but of the best.

THE CHAIRMAN said that if in India, they had the same kind of financing by the banks as obtained in Japan, then perhaps the remarks about managing agents might apply. But here they had to carry the burden of financing which existed in no other country where banks undertook the responsibility, and therefore he wanted the Finance Member to remember this point in any discussion that might take place. He repeated that 8 crores worth of goods were lying as stock and the banks would advance only to a certain limit and not above that. That was their position to-day.

MR. PETIT said he would like to know what endeavours the Finance Member was making to abolish the cotton excise duty.

SIR BASIL BLACKETT replied he had stated his position in full last March, *viz.*, that the Government of India's policy was to give preference to provincial contributions, but they had promised that the excise duty should be abolished as soon as financial conditions permitted. He could not say more than that.

MR. PETIT inquired whether it meant that any new adjustments of provincial finance would take precedence over excise duty.

SIR BASIL BLACKETT said that as for that the onus of proof would lie on those who wanted excise duty to have precedence over relief to Provincial Governments.

SIR DINSHAW WACHA enquired whether as the Finance Member was not in a position to say anything at present, he would discuss this point with the Government in detail, and, say, after a month or so, would meet the Committee again and come to a definite conclusion as to what steps should be taken to relieve the situation, or whether he would allow a deputation to come to Government after that period to discuss with them, as the position was certainly very serious at present.

MR. CHADWICK replied that they would discuss this point on Monday.

MR. LALJI NARANJI said that in spite of three successful monsoons there was stringency of money in India. The Finance Member had said that under-consumption was the cause of the present situation ; he could understand that in the case of other countries, but in India, where the balance of trade was in favour of India, he could not see why there should not be plenty of money, and consequently more purchasing power.

SIR BASIL BLACKETT replied that there was more ease of money last year than there had been in the years past, and the present position of the industry was not due to the currency and exchange policy of Government.

THE CHAIRMAN then thanked Sir Basil Blackett for coming to the Association and giving a patient hearing to the grievances of the Mill Industry.

The meeting then terminated.

J. P. WADIA,
Secretary.

APPENDIX 15 (E).

LETTER FROM AND MEETING WITH THE HON'BLE MR. D. T. CHADWICK.

No. 674/43-B of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *20th May*, 1925.

THE HON'BLE SIR CHARLES INNES, K.C.S.I., C.I.E., I.C.S.,
MEMBER, DEPARTMENT OF COMMERCE,
GOVERNMENT OF INDIA, SIMLA.

SIR,

I am directed by the Committee of this Association to refer to their interview with you when you were in Bombay on the 2nd April last, and to thank you for the attention and courtesy with which you listened to the views expressed thereat.

Since that interview, the position of the cotton mill industry as a whole has not changed in any way for the better. The competition from Japan is as keen as ever, and from the undermentioned statistics recorded in the Sea-borne Trade Return for March 1925, it will be seen that the figures of Japanese imports have increased. The figures of imports for the last three years are as follows :—

YARN.

Japan.

	Lbs.	*Value in Rs.*
1922–23	26,546,905	3,20,42,449
1923–24	20,430,025	2,85,17,605
1924–25	32,324,773	4,59,37,319

United Kingdom.

1922–23	31,018,372	5,69,87,686
1923–24	21,789,923	4,61,18,066
1924–25	20,759,078	4,54,97,774

The same return also shows that the imports of yarn from the United Kingdom have decreased materially in the last three years.

As regards cloth, it will be similarly seen that imports from Japan have materially increased, as shown by the following tables :—

STATEMENT SHOWING IMPORTS OF CLOTH.

From United Kingdom.

YEAR.	GREY.		WHITE, BLEACHED.		COLOURED OR PRINTED.	
	Yds.	Value in Rs.	Yds.	Value in Rs.	Yds.	Value in Rs.
1922–23	833,320,623	26,60,94,800	395,412,351	14,60,20,805	211,936,345	10,66,57,802
1923–24	599,707,357	19,14,62,380	402,862,428	14,61,68,292	303,696,463	15,12,23,859
1924–25	727,421,125	24,06,16,382	532,914,653	19,24,30,926	338,402,754	16,44,94,797

From Japan.

Year.	Grey.		White, Bleached.		Coloured or Printed.	
	Yds.	Value in Rs.	Yds.	Value in Rs.	Yds.	Value in Rs.
1922-23	90,036,967	3,52,37,503	2,375,105	10,09,810	15,366,024	60,42,754
1923-24	96,936,225	3,64,54,590	2,307,209	9,58,539	23,422,240	88,57,156
1924-25	109,839,116	4,08,27,067	4,483,707	18,90,843	40,979,076	1,47,44,861

Further, my Committee find that the Japanese manufacturers lately reduced the price of their cloth by Re. 1 to Rs. 1-8-0 per piece.

Certain proposals, therefore, in connection with meeting this competition were discussed at the interview you had with my Committee, notably the following two :—(1) Imposition of higher import duty on yarn and cloth below 30s counts and (2) a duty on cotton exported from India. You very kindly promised then that you would look into these two proposals to see if any of these were feasible. My Committee have therefore asked me to write and enquire if you have come to any decision in reference thereto.

My Committee wish to emphasize that the Japanese competition is increasing not only against the Indian mill industry but also against the export trade of Lancashire, as will be seen from the figures given above. In this connection my Committee desire me to forward you a copy of the speech made by Sir Montagu Cornish Turner, the Chairman of the Chartered Bank of India, Australia and China, at the last ordinary general meeting of the shareholders held on April 1st, 1925, in London. Sir Montagu Turner in his speech *made it clear* that the Japanese cotton and spinning mills had a prosperous time, paying dividends ranging from 16 per cent. to 48 per cent. in 1924 as against very much lower profits shown by similar mills in England and the United States. In his opinion, this prosperity was mainly due to protection, combinations to keep up domestic prices, and longer working hours. The mills worked 27 days per month with an average day of 19 hours divided into two shifts. But against this it was right to record the fact that Japanese labour was much less efficient than Western labour. Roughly speaking, in Japan 36 operatives were required for every 1,000 spindles, *i.e.*, 18 for each shift while in the United States and Great Britain only five operatives were said to be employed for each 1,000 spindles, *i.e.*, one shift.

In India roughly, 26 operatives are required for every 1,000 spindles for one shift as against 18 in Japan and 5 in Great Britain. These figures, of course, have to be considered in relation to counts spun in various countries.

Sir Montagu Turner further remarks that " the prosperity of the Japanese cotton mill Industry is in striking contrast to the present position of the same industry in Great Britain and India. The Bombay cotton mills especially have had, and are having extremely bad times. It is therefore not surprising that Bombay millowners and their sympathisers are clamouring loudly and insistently for the immediate abolition of the 3½ per cent. Cotton Excise Duty. Imports of yarn from Japan into India have greatly increased to the detriment of Lancashire goods. In the last nine months of 1924 imports of cotton twist and yarn from Japan into India totalled 25,500,00 lbs., a very substantial increase on previous years. So also in the case of unbleached grey goods, the imports from Great Britain have decreased, while shipments from Japan to India have increased. These facts are worthy of serious consideration."

The foregoing paragraphs from Sir Montagu Turner's speech are quoted to show that the grave position existing in the Bombay mills is being recognised by well-known bankers of the standing of Sir Montagu Cornish Turner. If he as a banker who is not directly connected with the cotton trade considers the position serious, it may well be recognised how gravely this Association views the position.

The question of the removal of the Excise Duty, the iniquity of which from the moral, political and economic points of view had been so ably pointed out to you from time to time by this Association had been placed before you for the last two years, and you had stated that it was engaging the serious attention of the Government of India during last year. While the Government of India recognised and, as you said, were sympathetic to the cotton industry and were prepared to stand by the pledge given by Lord Hardinge in 1916, they for the time had to recognise the pledge given to the provinces in regard to the remission of provincial contributions as being a prior claim and therefore for the time being had postponed the removal of the excise duty. Therefore in this year's budget they were unable to repeal the excise duty as they were remitting provincial contributions.

You, Sir, at the interview, recognised that as the competition was with Japanese goods which were sold at a price at which the Indian producer could not sell at a profit, the excise duty, in such a case would fall on the producer, *i.e.*, the Indian mills, and therefore you will recognise that in these difficult times the industry is passing through, the mills cannot carry on with the excise duty as it is levied.

My Committee therefore wish to enquire whether you have considered the two suggestions which were made to you at the interview, and whether the Government of India are prepared at an early date to take any steps in the matter to afford indirect relief to our industry.

I am further directed to forward for your information a copy of a letter addressed by this Association to the President, Board of Trade, London, and to draw your special attention to para. 12 thereof. The case of the Indian mill industry in reference to the competition from Japan fulfils the conditions which, in the case of an industry in England, would have entitled it to some protection under the Safeguarding of Industries Act, but there is no like Act in India, the benefit of which could be made available to the Indian mill industry.

In conclusion, I am directed to reiterate my Committee's considered opinion that the rapid growth of Japanese exports of yarn and piece-goods to Indianand other markets where the productions of Indian mills were hitherto finding their way is a matter deserving of the most serious consideration of the Government of India. If the cotton industry of India from which the Government is not a little benefitted is not to be permanently crippled, then it is imperative on the Government that effective measures such as suggested above should be adopted at an early day to protect it from the deadly effects of Japanee competition. My Committee will deeply appreciate an assurance from you that the Government of India are thoroughly alive to the present grave condition of the Indian mill industry and to the absolute necessity of adopting measures for its preservation against the growing disastrous competition which Japan is able to put forth more or less on account of the use of Indian cotton assisted by the depreciated exchange.—I have, etc.,

J. P. WADIA,
Acting Secretary.

No. 341-(2)-T.

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, *26th June*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to refer to your letter dated the 20th of May, 1925, asking whether the Government of India have considered the proposals put forward by the Millowners' Association for granting assistance to the mill industry against the Japanese competition—

(1) by the imposition of a higher import duty on yarn and cloth below 30s counts, and

(2) by a duty on cotton exported from India.

These suggestions have received the careful examination of the Government of India whose views I am now to communicate to you.

2. Attention is first requested to the second proposal, *viz.*, the imposition of an export duty on raw cotton as a measure of protection against Japanese competition in the Indian yarn and piece-goods market. The considerations to be borne in mind in imposing an export duty for protective purposes have been clearly enunciated by the Fiscal Commission in paragraphs 177 *et seq.* That Commission was unanimous in holding that such measures should only be adopted with great caution. In fact it was generally opposed to them. The objections in principle taken to such duties may be summarised as follows :—

(1) A protective export duty penalises—so far as it may be paid by the foreign purchaser—every part of the industry using that raw material and not merely that portion of the final product which comes into competition with the home article in the home market.

(2) Therefore countries which have to purchase that raw material tend inevitably to regard it chiefly as a means of economic aggression rather than as a measure designed to protect a local industry.

(3) Since the cost of the raw material forms only a portion of the value of the finished article, the duty has to be heavy to render it protective.

(4) It is always difficult to foretell the incidence of export duties especially when the country imposing them does not enjoy a complete monopoly in the production of that material. It is, however, certain that as export duties are increased in amount so is the production of the same or competing material stimulated in other countries and so, also, is the danger that the duties may fall upon the producer in the home country, increased.

In other words, export duties on raw materials as protective measures for local industries are apt to go beyond the needs of the case, and on account of the necessity of pitching them high involve great risk to producing interests. Proposals for protective export duties require testing by these objections which are obviously sound in conception.

3. The imports into India of piece-goods from Japan in 1924-25 amounted to 155 million yards and of yarn to 32 million lbs. (*vide* below). If four yards of piece-goods be taken to a lb. of yarn (and as several of the classes of Japanese imports are of finer kinds, this conversion factor exaggerates the amount of yarn in the imported piece-goods) this is equivalent in terms of yarn to an import of 71 million lbs., which at a generous estimate represents 40,000 tons of raw cotton. The total exports of raw cotton from India in 1924-25 exceeded 600,000 tons. The suggestion, therefore, is to levy an export duty on a trade of 600,000 tons for the purpose of increasing the prices of goods made from not more than 40,000 tons of cotton, by no means all of which is Indian cotton. It is well known that Japan does not use solely Indian cotton, and that many Japanese textiles are made from mixtures of Indian and American cotton. No export duty, even assuming it be paid by the purchaser, would have the effect of raising the prices of American cotton to the same degree. Nor, except so far as the cost of living might be raised in Japan, leading to a rise in wages there, could an export duty affect the cost of manufacture. Yet if such an export duty is to be protective, it has to operate to raise the whole price of the finished article. What would be a suitable figure is not suggested in your letter, but it is clear that it would have to be at a high rate.

4. Such a duty would operate upon the whole of the export trade of over 600,000 tons, and to the extent by which it attained its object, *viz.*, increasing the price of the foreign made article, it would affect the whole of the production of the textile industries abroad which purchase Indian cotton and not merely those goods imported into India from Japan. The total imports of raw cotton into Japan are about 450,000 tons a year and if this export duty achieved its object, the cost of all the goods made therefrom would be raised wherever they were sold and not merely that of the goods exported to India which represent at most

some 40,000 tons of raw cotton. It would not end there. Although India enjoys no monopoly in the production of cotton, yet Indian cotton, enjoys widely distributed and important markets. It is exported to nearly forty different countries of which the chief purchasers in 1924-25 were :—

	Tons.
Japan..	343,455
Italy	86,578
China	50,722
Belgium	35,950
Germany	30,147
United Kingdom	28,888

So far as the export duty was effective in raising prices of textiles in purchasing countries, the cost of such goods in all these countries would be increased by varying amounts dependent on the proportion of Indian cotton they consume. In Italy, for instance, this amounts to one-third of the total imports.

5. It certainly goes beyond the needs of the case to attempt to increase the internal prices of textiles in all these countries in order to raise the cost of one class of imports into India representing less than 40,000 tons of raw cotton. Moreover, these countries are among India's best customers for many other articles besides cotton.

6. It has been stated that the duty in order to be protective would have to be high. In case anticipations were not realised and it was not paid by the foreign purchaser, the duty would fall upon the Indian producer. No one desires that result. Moreover, it is of little use spending money and labour in endeavouring to improve the quality and yield of Indian cotton and to adopt, at the same time, measures to depress the price and lessen the return from the crop.

7. The Government of India consider, therefore, that the imposition of a protective export duty on raw cotton is peculiarly open to the objections and dangers described by the Fiscal Commission and that the suggestion should be definitely abandoned. The Government of India realise that this suggestion was only put forward as subsidiary to the main proposal advanced by the millowners and had not been worked out in detail.

8. The main proposal put forward by the Association is that import duty on yarn of counts 30 and below and on cloth made of such yarn should be increased. This raises more directly the question of competition in the Indian market and demands an attempt to assess the nature and extent of that competition. I take yarn first and compare the total quantity of Indian mill production with total imports. The figures are as follows :—

	Amount of Yarn available for consumption in India in millions of lbs.			
	1912–13 to 1914–15 average.	1922–23.	1923–24.	1924–25.
(1) Indian Mill Production less Exports	496	649	579	683
(2) Imports less Re-exports	45	58	43	55
(3) Total Amount Available for Consumption in India	541	707	622	738
(4) Proportion of (1) to (3)	92	92	93	92.5
(5) Proportion of (2) to (3)	8	8	7	7.5

At first sight this table is reassuring. Indian yarn still supplies, as it did before the war, 92 per cent. of the Indian market, and imported yarn supplies only 8 per cent. Further analysis indicates that the increase in the imports from Japan has not been at the expense of the Indian-made yarn but at the expense of imports from the United Kingdom :—

	Proportion of Imported Yarn from United Kingdom and Japan, respectively.	
	United Kingdom.	Japan.
	Per cent.	Per cent.
1912–13 to 1914–15 Average	87	1.7
1915–16 to 1917–18 Average	85	10
1918–19 to 1920–21 Average	45	49
1921–22	70	26
1922–23	52	45
1923–24	49	45
1924–25	37	57

9. It is, however, contended that the competition which Indian mills experience in the local yarn market is greater than is indicated by these figures, because the major quantity of the yarn produced by Indian mills is used within the mills for the manufacture of piece-goods. Against this must be put the fact that much of the yarn imported into India is above 30s counts and therefore does not compete directly with Indian-made yarn. In fact the proposal is that the duties should only be raised on yarn below 30s. The question of direct competition in the yarn market resolves itself into a question whether the imports of yarn below 30s have seriously increased. On the recognised basis that 1 lb. of yarn makes four yards of cloth, the amount of this direct competition in different years can be calculated thus :—

Figures for Yarn are in millions of lbs.

Figures for Piece-goods are in millions of yards.

	1909–10	1913–14	1914–15	1920–21	1921–22	1922–23	1923–24	1924–25
Output of Yarn in Indian Mills	628	682	652	660	694	706	617	719
Output of Piece-goods in Indian Mills ..	964	1,164	1,136	1,581	1,732	1,725	1,700	1,970
Equivalent to Yarn @ 1 lb. yarn=4 yards of cloth	241	291	284	395	433	431	425	492
Balance of Yarn Available for Sale as Yarn	387	392	368	265	261	275	192	227
Deduct Exports of Yarn	227	198	134	83	81	57	38	36
Balance of Indian mill-made Yarn for Sale on Indian market	160	194	234	182	180	218	154	190
Total Imports of Yarn into India of 30s and below	6	6	6	12	12	19	8	8
Percentage of Imported Yarn below 30s to Indian Yarn on Indian market ..	4%	3%	2%	7%	7%	9%	5%	4%

This table does not indicate either that the imports of yarn below 30s are any greater than they were before the war or that the Indian mills have lost any part of the home market they previously enjoyed. The imports of these low counts of yarn have in fact been greatest in the years 1920-23 which were generally good years for the Indian mill industry. On the figures for last year Indian mills still held 96 per cent. of the local market. On these figures no case can be made out for enhanced duties on low counts yarn.

10. The complaint is specifically against Japanese yarns below 30s and in the next table a comparison is made by counts between imports from Japan and Indian mill production :—

Figures in millions of lbs.

Counts.	1921–22.		1922–23.		1923–24.		1924–25.	
	Indian Mill Production.	Imports from Japan.	Indian Mill Production.	Imports from Japan.	Indian Mill Production.	Imports from Japan.	Indian Mill Production.	Imports from Japan.
1 to 20	471	5	479	12	412	6	470	6
21 to 30	203	1	209	2	182	.7	224	.5
31 to 40	17	7	16	10	20	10	19	19
Above 40	2	.3	2	.9	3	.2	6	6

In the face of these figures it is extremely difficult, if not impossible, to justify increased duties on lower counts from Japan. The figures show that Japanese competition is most severe in respect of counts between 31s and 40s, and this feature is even more marked in the year 1924-25. But the production of yarn of counts above 30s is relatively so small in India that Japanese competition in this yarn is comparatively of small moment to the Indian millowner. It is Lancashire that suffers. As regards lower counts, imports from Japan continue to remain a mere fraction of production in India.

11. I now turn to examine, so far as that is shown from trade returns, the extent and nature of imports in piece-goods in connection with the proposal that duties on piece-goods manufactured from counts of 30s and below should be enhanced. Statistics neither of imports nor of production of piece-goods are recorded by the counts of yarn used in the articles and therefore comparisons on that basis cannot be directly made. Later in this letter a calculation is made which, it is believed, shows with substantial correctness the extent of Japanese competition in the Indian market in piece-goods made from yarns of low counts. As a preliminary step, the imports and production of the different classes of goods into which textiles are usually divided are analysed.

12. The two great classes of piece-goods are grey and bleached goods and coloured, printed or dyed goods. The following tables exhibit, in respect of each class of goods (in millions of yards), the progress of Indian production, the progress of exports and the competition in the Indian market of the net Indian production with net imports :—

Grey and Bleached Goods.

	1912–13 to 1914–15 average.	1915–16 to 1917–18 average	1918–19 to 1920–21 average.	1921–22	1922–23	1923–24	1924–25
(1) Indian Mill Production	889	1,124	1,124	1,285	1,272	1,197	1,382
(2) Exports	40	97	61	25	32	35	45
(3) Balance	849	1,027	1,063	1,260	1,240	1,162	1,337
(4) Imports less Re-exports	2,173	1,405	860	884	1,275	1,071	1,354
(5) Total Available for Sale in India ..	3,022	2,432	1,923	2,144	2,515	2,233	2,691
(6) Proportion of (3) to (5)	28	42	55	59	49	52	50
(7) Proportion of (4) to (5)	72	58	45	41	51	48	50

Coloured, Printed or Dyed.

	1912–13 to 1914–15 average.	1915–16 to 1917–18 average.	1918–19 to 1920–21 average.	1921–22	1922–23	1923–24	1924–25
(1) Indian Mill Production	284	420	433	447	453	504	588
(2) Exports	40	92	103	136	125	130	136
(3) Balance	244	328	330	311	328	374	452
(4) Imports less Re-exports	627	364	275	122	228	334	392
(5) Available for Sale in India	871	692	605	433	556	708	844
(6) Proportion of (3) to (5)	28	47	55	71	59	53	54
(7) Proportion of (4) to (5)	72	53	45	29	41	47	46

It is clear from both these tables that Indian mill production has increased greatly and now holds a much larger share of the local market than in pre-war days. The total quantity of goods on the Indian market is still below pre-war figures but is slowly approaching them. This doubtless means that competition is increasing as compared with the years of 1918-19 to 1921-22 when supplies on the Indian market were very short. The imports from Japan in these two large groups have increased by 29 and 36 million yards, respectively, in the last four years, whilst the output from Indian mills has increased in the same period by 97 and 141 million yards. A portion of the increased imports from Japan has certainly supplanted goods which previously were purchased from the United Kingdom and therefore are not in direct competition with Indian mill-made textiles. To estimate the severity of the direct competition, a similar analysis is made for the chief classes of goods made by the Indian mills.

13. The import figures indicate that the Japanese imports consist chiefly of grey cloths falling under the headings drills and jeans, longcloth and shirtings, sheetings including T-cloths and domestics. A similar table is given for each of these groups :—

Drills and Jeans—Grey and White (in millions of yards).

	1912–13 to 1914–15 average.	1915–16 to 1917–18 average.	1918–19 to 1920–21 average.	1921–22	1922–23	1923–24	1924–25
(1) Indian Mill Production	29	61	70	60	56	55	77
(2) Gross Imports	29	23	19	18	17	20	Not available
(3) Total	58	84	89	78	73	75	
(4) Proportion of (1) to (3)	50%	72%	79%	79%	77%	73%	
(5) Proportion of (2) to (3)	50%	28%	21%	21%	23%	27%	

Longcloth and Shirting—Grey and White (in millions of yards).

	1912–13 to 1914–15 average.	1915–16 to 1917–18 average.	1918–19 to 1920–21 average.	1921–22	1922–23	1923–24	1924–25
(1) Indian Mill Production	305	433	432	487	471	444	525
(2) Gross Imports	698	371	236	177	349	186	Not available
(3) Total	1,003	804	668	664	820	630	
(4) Proportion of (1) to (3)	30	54	65	73	57	70	
(5) Proportion of (2) to (3)	70	46	35	27	43	30	

Sheetings, T-cloths and Domestics—Grey and White (in millions of yards).

	1912–13 to 1914–15 average.	1915–16 to 1917–18 average.	1918–19 to 1920–21 average.	1921–22	1922–23	1923–24	1924–25
(1) Indian Mill Production	137	160	110	84	81	68	78
(2) Imports	8	24	42	52	45	61	Not available
(3) Total	145	184	152	136	126	129	
(4) Proportion of (1) to (3)	94	87	72	62	64	53	
(5) Proportion of (2) to (3)	6	13	28	38	36	47	

In the first two of these groups, Indian mill production supplies for 70 per cent. of the market and imports are much less than before the war. It is only in regard to sheetings, T-cloth and domestics that ground appears to have been definitely lost. It is also in this group that Japanese imports have increased notably. In 1915-16 they were about 1½ millions of yards, were 52 million in 1918-19 and have stayed at a comparatively high figure ever since. Thus :—

Imports from Japan of Plain Grey Sheetings (in millions of yards).

1918-19	52
1919-20	16
1920-21	41
1921-22	36
1922-23	41
1923-24	54

This class, however, is one of the smallest of the lines usually made in India and in 1924-25 only accounted for 78 million yards out of a total production in India of 1,970 million yards of piece-goods.

14. The statistics given above do not indicate that the industry as a whole is in grave danger. The contraction of imports during the war naturally reduced the total quantity of goods available for the Indian market and afforded the Indian mills an opportunity of obtaining a much larger share of it. With the gradual return of more normal economic conditions, competition was bound to become more severe, but these statistics indicate that much of the market gained during the war is being retained.

15. An examination has been thus made based on the different classes of piece-goods made by the mill industry. An attempt will now be made to test the request for a higher duty on piece-goods made from counts below 30s by computing the quantity of such goods on the Indian market and ascertaining what proportion of those are of local manufacture and what proportion are imported. I am to request special attention to this analysis as it

brings out the change which has come over the mill industry in the last ten years. A statement attached to this letter shows the increase in spindles and looms over a long series of years. At the beginning of the century, the industry was pre-eminently a spinning industry so much so that in the year 1898-99 of the total output of 512 million pounds of yarn, only 89 millions were woven into cloth. By the year 1923-24, the output had increased to 609 million pounds of yarn and of this 425 millions were converted into cloth in the mills. The development of the weaving industry proceeded steadily but slowly in the 15 years prior to the war, during which time the average annual increase in the number of spindles and looms was 143,815 and 3,960, respectively. The rate of increase in looms was maintained during the 4 years of the war, 1914-15—1918-19, at 3,881, while spindles show a small decrease. In the four post-war years, 1919-20—1922-23, spindles resumed their normal annual increase at a rate of 163,500, but additional looms were added at the rate of 5,286 a year. In addition, while the output of yarn per spindle has fallen slightly, the yardage of piece-goods per loom has increased from about 10,000 yards at the beginning of the century to about 13,500 yards now. The latter years of the war and right up to 1921-22 were exceptionally good years for the cotton industry, especially for piece-goods, and it was not unnatural that attention was chiefly concentrated on the installation of looms and the manufacture of piece-goods It is noticeable that the fall in exports in yarn coincided with the boom years in piece-goods in India and did not follow a long depression in the export market in yarn. This is clear from the following table :—

Year.	Millions of lbs.	Year.	Millions of lbs.
1909–10	160	1917–18	128
1910–11	183	1918–19	64
1911–12	151	1919–20	152
1912–13	204	1920–21	83
1913–14	198	1921–22	81
1914–15	134	1922–23	57
1915–16	160	1923–24	38
1916–17	169	1924–25	37

This is material in view of the statement sometimes made that looms were installed in India as a matter of self-defence to utilize the surplus yarn for which an export market no longer existed. Spinning in China and weaving in India had both been started before the war and it seems more reasonable to conclude,in the face of the figures given above, that the dislocation in trade caused by the war stimulated very strongly in India the swing over from spinning to weaving and in China the development of spinning. The fact remains that in the ten years 1914-15 to 1924-25, the Indian mills practically doubled their output of piece-goods, *viz.*, from 1,136 million yards to 1,970 million yards.

16. The statement at the end of this letter further illustrates the conclusion already reached earlier in this letter, *viz.*, that no case appears to exist for increasing the duties on yarns below 30s. The same counts are spun in the Indian mills as before the war, thus :—

Figures in millions of lbs.

——	Total output of Yarn.	Amount above 30s.
Average of 5 years 1907-08—1911-12	632	23
Average of last 4 years 1921-22—1924-25	684	21

The imports of yarns below 30s before the war were 6 millions lbs. In the last two years, they have been 8 million lbs. Clearly no case exists here for protection.

17. The position as regards piece-goods is more complex. The first point is obviously to see where mills try to sell these piece-goods. Before the war, the Indian mills had a fairly large export market in yarn. If that could have been completely converted into an equivalent foreign market in piece-goods, the result would have been satisfactory. To the extent to which this has not succeeded, the extra output of piece-goods is necessarily placed upon the local market. The goods are generally of the same quality as those made before the war and if the quantity offered on the local market has increased very largely, the question naturally arises whether the local market will continue to absorb that increased quantity as economic conditions settle down. Before the war, exports of Indian piece-goods were as follows :—

Year.	Millions of yards.	Year.	Millions of yards.
1909-10	42	1917-18	189
1910-11	46	1918-19	149
1911-12	44	1919-20	197
1912-13	47	1920-21	146
1913-14	44	1921-22	161
1914-15	67	1922-23	157
1915-16	113	1923-24	165
1916-17	264	1924-25	182

These figures indicate a welcome steady increase in exports in the last three years, but the quantity exported does not yet form a full equivalent of the quantity of yarn exported before the war. The average annual export of Indian piece-goods for the three years 1922-23 to 1924-25 was 168 millions of yards which is greater by 82 millions of yards than the average annual export for the years 1911-12 to 1913-14. The average annual export of Indian yarn for the same periods has decreased from 184 millions of lbs. to 44 millions of lbs., that is, by 140 millions of lbs. At 4 yards of cloth to a lb. of yarn, this is equivalent to a decrease in exports of cloth of 560 million yards. The increase in export has only been 82 million yards. The increase in export has only been 82 million yards, making a difference of about 478 million yards of cloth. This additional quantity of cloth—representing only the decrease in exports in yarn—is available for sale on the Indian market in addition to the cloth made from the increased production of yarn. Therefore, it would seem that well over 500 million yards more of coarser cloth of Indian production is being placed on the Indian market than was offered on that market before the war.

18. The following table estimates the total quantity of piece-goods on the Indian market made from yarns below 30s and the quantity of such goods supplied, respectively, by Indian mills and imports from aboard. It is believed that it places at a maximum this direct foreign competition because :—

(*i*) It has been assumed that all re-exports are of higher grades which is most improbable.

(*ii*) It assumes that 6 per cent. of the imports from the United Kingdom are of these coarse kinds and are in direct competition with Indian mill products although the Association assess such direct competition at a much lower percentage.

(*iii*) It assumes that 90 per cent of the Japanese imports are in direct competition with Indian mill made goods. This is an improbable figure seeing that some Japanese goods compete directly with United Kingdom goods :—

Piece-goods (excluding hand-loom production) (*Figures in millions of yards.*)

—	Average 3 years 1911–12 to 1913–14	Average 4 years 1914–15 to 1917–18 War.	Average 3 years 1918–19 to 1920–21	Average 3 years 1921–22 to 1923–24	1924–25
Cloth manufactured by Indian Mills	1,173	1,443	1,557	1,719	1,970
Deduct Exports..	85	211	164	164	181
Balance for Sale in India	1,088	1,232	1,393	1,555	1,789
Total Imports	2,886	2,022	1,237	1,389	1,825
Less Re-exports..	67	87	84	70	54
Net Imports for Sale in India..	2,819	1,935	1,153	1,319	1,771
Imports from the United Kingdom	2,809	1,911	1,049	1,238	1,613
Say 6% of these compete directly with Indian Mill Production	168	115	63	74	97
Japanese Imports	5.2	63	161	107	155
Assume 90% compete directly with Indian Mill Production	4.7	58	145	91	139
Balance of Imports from all Other Countries	72	48	27	54	57
Assume 10% of these compete directly	7.2	5	3	5	6
Total Quantity for Sale in India of grade goods made by Indian Mills	1,268	1,410	1,604	1,725	2,031
Of which Indian Mills supply	1,088	1,232	1,393	1,555	1,789
Or per cent	85%	87%	87%	90%	88%
Japan supplied	5	58	145	91	139
Or per cent	4%	4%	9%	5½%	6⅝%

19. It would probably be more accurate to assume that—

(*a*) before the war, only 3 per cent of imports from the United Kingdom and, after the war, only 1 per cent. and

(*b*) seventy per cent. of imports from Japan are in direct competition with Indian mill-made goods.

The result is very little different and is as follows:—

Figures in millions of yards.

—	Average 3 pre-war years. 1911–12 to 1913–14	Average 4 war years 1914–15 to 1917–18	Average 3 years 1918–19 to 1920–21	Average 3 years 1921–22 to 1923–14	1924–25
Indian Mill Production for Sale in India	1,088	1,232	1,393	1,555	1,789
Competing Foreign Imports—United Kingdom 3% before war and 1% after	84	57	10	12	16
Japan 70 per cent	3	44	113	75	108.5
Other Countries—10%..	7	5	3	5	6
Gross Competing Imports	94	106	126	92	130
Less ¼ of the Re-exports	17	22	21	18	13
Nett Competing Imports	77	84	105	74	117
Total amount of these Coarse goods placed on the Indian Market	1,165	1,316	1,498	1,629	1,906
Per cent. of this produced by the Indian Mills	93%	94%	93%	95%	94%

Whichever way it be taken, it appears that

(*a*) foreign imports in this class of goods are no more than they were before the war either proportionately or in quantity; and
(*b*) Indian mills hold 88 per cent. of the market, and probably 94 per cent. of the market and possibly more.

It is difficult on these figures to establish a case for protective duties on yarns below 30s and on piece-goods made therefrom.

20. The foregoing analysis brings out the large increase in the offerings on the Indian market of the coarser kinds of piece-goods and raises the suspicion whether for that grade and class of goods conditions are not approaching those of over-production. If that is really the case, then it connotes a state of affairs which has to be dealt with mainly by the industry itself. Depression exists to a greater or less degree at present in the textile industries of all countries and a revival of competition after the war and boom period was inevitable. Quite apart from the practical difficulties arising from changing an ad valorem system for levying customs duties into one for assessing cloths according to counts, this examination does not justify the enhancement of duties on those cloths.

21. In conclusion, I am to request the attention of the Millowners' Association to the statistics and conclusions in this letter and to say that I shall be in Bombay on July 2nd for a few days and hope to have an opportunity of discussing them with the Committee of the Association.—I have, etc.,

D. T. CHADWICK,
Secretary to the Government of India.

Statement giving particulars of the Number of Mills, Spindles, Looms, etc., Outputs of Yarn and Piece-goods and of the Indian Cotton Mill Industry from 1879 to 1924-25.

	The Industry.						Yarn Production.		Piece-goods Production.		Yarn Market.			
Year.	No. of mills in existence.	No. of spindles in thousands.	Average annual increase in spindles.	Number of looms.	Average annual increase in looms.	Number of spindles per loom.	Output of yarn in millions of lbs.	Output of yarn in lbs. per spindle.	Output of piece-goods in millions of yards.	Output per loom in yards.	Taking 1 yard cloth = ¼ lb. yarn. Surplus of yarn for sale as yarn.	Exports of yarn.	Balance for sale to local handloom industry.	Imports of yarn into India 1—30's.
											(Figures in Millions of lbs.)			
1879-80	58	1,471	..	13,307	..	115	..	..	..	..	..	..	..	..
1888-98	109	2,670	133,232	22,156	983	120	..	..	..	..	..	..	..	..
1898-99	174	4,463	179,332	37,288	1,513	120	512	113	356	9,536	423	220	203	..
1908-09	233	5,967	150,318	74,592	3,730	80	658	110	824	10,986	452	236	216	..
1909-10	245	6,143	176,021	80,171	5,579	77	628	104	964	10,800	387	227	160	6
1913-14	264	6,621	119,506	96,688	4,129	68	683	103	1,164	12,037	392	198	194	6
1914-15 (first war year)	255	6,598	—22,468	103,311	6,623	63	652	99	1,136	11,030	368	134	234	6
1918-19 (last war year)	264	6,591	*Nil.*	116,094	3,196	57	615	93	1,451	12,598	252	64	188	11
1919-20	263	6,714	123,347	117,558	1,464	57	636	95	1,640	13,950	226	152	74	1
1920-21	255	6,652	—61,791	117,953	395	56	660	99	1,581	13,400	265	83	182	12
1921-22	271	6,814	161,799	128,314	10,461	53	694	102	1,732	13,500	261	81	180	12
1922-23	289	7,245	430,846	137,238	8,924	53	706	97	1,725	12,573	275	57	218	19
1923-24	..	..	..	..	..	..	617	..	1,700	..	192	38	154	8
1924-25	..	..	..	..	..	..	719	..	1,970	..	226	36	190	8

PROCEEDINGS of the Special Meeting of the Committee of the Bombay Millowners' Association held on Monday, the 6th July, 1925, at 2-30 p.m. (S. T.) to meet the Hon'ble Mr. D. T. Chadwick.

A special meeting of the Committee was held on Monday, the 6th July, 1925, to discuss with the Hon'ble Mr. D. T. Chadwick, C.S.I., C.I.E., I.C.S., Secretary to the Government of India, Commerce Department, the points raised by him in his letter to the Association dated 26th June, 1925, in connection with Japanese competition and the proposed measures to combat it. The Hon'ble Mr. D. T. Chadwick was accompanied by Mr. A. M. Green, M.A., I.C.S., Collector of Customs, and Mr. A. V. V. Aiyer, C.I.E., the Deputy Controller of Currency. The following members of the Committee were present on the occasion :—

N. N. WADIA, ESQ., C.I.E., (*Chairman*).
RATANSI D. MORARJI, ESQ., (*Deputy Chairman*).
THE HON'BLE SIR DINSHAW E. WACHA, KT.,
SIR FAZULBHOY CURRIMBHOY, KT., C.B.E.,
J. A. KAY, ESQ., M.L.C.,
LALJI NARENJI, ESQ., M.L.C.,
H. P. MODY, ESQ.,
JEHANGIR B. PETIT, ESQ.,
MUNMOHANDAS RAMJI, ESQ., J.P.,
N. B. SAKLATVALA, ESQ., C.I.E.,
H. H. SAWYER, ESQ.,
F. F. STILEMAN, ESQ.,
F. STONES, ESQ., O.B.E.,
H. F. COMMISSARIAT, ESQ., and
J. P. WADIA, ESQ (*Acting. Secretary.*)

Mr. A. J. Raymond of Messrs. E.D. Sassoon & Co., Ltd., and Mr. T. E. Cunningham of Messrs. Turner, Morrison & Co., Ltd., also attended the meeting at the special invitation of the Committee.

The Chairman after having thanked Mr. Chadwick for his presence proceeded to deal with the question of Japanese competition in detail. The full text of his speech is given below :—

MR. CHADWICK.—On behalf of our Committee, I thank you for having kindly consented to meet the Committee of this Association to discuss the present situation of our industry. We got your letter only last Thursday and had not much time to go into the facts and figures thereof. We will go through them fully later on and if necessary we will write to you fully about it.

But at the outset I had better elaborate fully what we told Sir Basil the other day about the Japanese competition. On that day I showed that the spindles in India had increased since 1910 only by about 30 per cent. while in China five times and in Japan about 2½ times, while the production of yarn has increased in India only by about 30 per cent. in China it has increased five times or ten times if you allow for the double shift and that of Japan five times, and the total increase of production in Japan and China was six times as much as in 1910 including night shift working, and between them they have as many spindles as we have in India. Then as regards looms, in China have increased from 3,700 to 22,500, in Japan from 17,700 to 64,400. While the number of looms in India has increased only by 80 per cent. *viz.*, from 82,000 to 151,000 the number of looms in Japan has increased by four times as much and taking double shift about nine times. Therefore these figures do not bear out the conclusions you have drawn from the statements you have placed before us.

As regards the Japanese competition, we have this mail received a letter from Sir Thomas Smith who was our representative at the Geneva Conference. At that Conference Sir Thomas Smith could not get a definite reply to the plain question put to the Japanese representatives as to why they had not ratified the Washington Conventions, although the Japanese labour members said that the workers in Japan would like to take advantage of

this, and it was their aspiration to adopt eight hours working. Mr. Joshi, our other representative, said that it was six years since the Convention was passed and yet Japan did not ratify it, and he did not know how much time it would take for them to carry it out. Evidently Japan has no intention of doing so, and from the records it appears that Japan did not wish to put handicaps on their industry, which the Government of India have placed on us by restricting the number of working hours, etc. I therefore ask whether it is fair that we should be subjected to this competition. Working two shifts means that their charges are half, with the result that their cost of production is low, and they are still working night shift with women in spite of the Convention, against which we are prohibited. Their wages are a little over a yen a day for women according to the tables we have seen in monthly returns.

Again, I see that in making your comparison you have taken the figures for all India irrespective of goods manufactured in Native State mills or up-country mills, where they have cotton on the spot and also market on the spot and they save railway freight, etc. It must also be remembered that in the Native States there is again a protective duty of nearly 8 per cent. on all goods coming from British India into the Native States. So, there also they have protection, and therefore you can hardly take those figures into account in making any comparison.

Now, the question is, if Japan is producing nine times the quantity of cloth and five times the quantity of yarn it was producing fourteen years ago, you can't say their consumption has increased by that amount, and so they have to export to outside markets in large quantities, and one of their finest markets is India. Nay, it is not India alone, but they have gradually replaced us in all our other export markets like Levant, Zanzibar, Mombassa, etc.

Again in your statement, you acknowledge that the export of yarns from India to China has gone down, and you draw a conclusion from that that owing to boom years in India looms had increased. But I do not agree with you, sir. It is because we have lost our export market for yarn to China, we had to put more looms to save our situation and my friend Sir Fazulbhoy will bear me out that he was forced to put more looms. So, I may say that your conclusion is wrong. The position is that we are getting more competition from Japan. It may be that the volume is not great, but the small percentage offered at ridiculously low rates brings the market down, and we are affected thereby. I may say from the last quotation we have received here that we can get Japanese 20s yarn at 14½ as. a lb.—a yarn much better than what I have seen in Bombay—and that is after paying an import duty of 5 per cent., and at the present prices, cotton mills in Bombay can barely manufacture at this price.

There is similar competition in cloth also. Drill is being sold here at Re. 1 per lb. and my friend Mr. Stones will bear me out when I say that we can hardly manufacture it here at that price. The question therefore is not of the volume of competition, but the low prices at which the goods are dumped here that affects us very much. We have to sell against them to keep our market. We have got to lower our prices down so that they may not capture the market.

Sir, this is the position. We showed in our remarks to the Finance Member, the other burdens we have to bear, and we therefore ask you to devise some means by which this competition may be met by us with your help. The two suggestions we made and to which you have referred did not emanate from us. They were only suggestions made to us, we took them as palliatives and placed them before the Government to analyse to find out their feasibility if the Government could not abolish the excise duty. The Government have already acknowledged, and Sir Basil too acknowledged the other day, the injustice of the excise duty but still they are keeping it. If there is a will there is a way. There is no will. So why not say so in plain terms. That would be a straight answer instead of pretending and saying that you can't do so on financial grounds. You can wipe off the Persian Loan but you have not the money to abolish cotton excise. It seems that it is no concern of the Government of India whether the cotton mill industry thrives or not. If no help is forthcoming then we will have to take steps in conjunction with our labour to reduce wages and/or work short time.

There is only one other method in which you can help us just now. I would refer you to the report of the Indian Fiscal Commission, specially paras 132 to 141, where they deal exhaustively with the question of dumping and protection against countries with depreciated exchange. Is it possible to adopt their recommendations in our case?

Sir, this is our position. In reference to Japan you said there is an international convention and I understood you to say that you could not put an additional duty on Japan unless you gave notice of ending it. If that is the situation, are we to understand that the Government are at present unwilling to do anything for us, because Government could see no prospect of helping us? If that is so, you had better say straight off. I showed Sir Basil Blackett that Government are partners with us when they recover income-tax and super-tax they take, and also the excise duty. If I may adopt Sir Basil's own words, the millowners are not profiteering, whereas the Government are profiteering, because owing to world's shortage of cotton and the consequent increase in price of cloth, they are collecting heavy excise duty."

MR. CHADWICK first thanked the Committee for having afforded him the opportunity to discuss with them all matters in detail. He referred to the meeting some months ago with his chief, Sir Charles Innes, and following on that he had come down to discuss with them.

Mr. Chadwick said that he fully realised that these two particular suggestions, namely, an export duty on raw cotton and an increased duty on lower counts of yarn and piece-goods made therefrom, were suggestions which had been put forward for examination as affording possible relief to the mill industry after it was clear that the cotton excise duty could not be removed this year. The result of the examination in the Government of India of these alternatives was contained in the letter which has been sent to the Association. It was that letter and the general conclusions to which such an examination pointed which he wished to discuss freely that afternoon. Before doing so, however, he wanted to clear one or two misunderstandings which appeared to exist in regard to India's relationship with Japan. There was no secret treaty with Japan which hampered in any way the relations with that country. The only treaty which existed was the Commercial Convention which had already been published and printed with the proceedings of the Council of State and had been communicated several years ago to most of the commercial organisations. The terms of that Convention were well known. When the proposal to impose an export duty on raw cotton was mooted in 1918, it was true that Japan protested. That fact was known to the millowners. But what was not known was that the Government of India then telegraphed to London to enquire whether there were any international or political arrangements with Japan which would prevent the Government of India from imposing such an export duty if it deemed it necessary and expedient. They were informed that there were no such obstacles. He hoped that this would clear away from their minds any lurking suspicion of the existence of secret treaties.

Whilst on this matter of treaties, Mr. Chadwick also referred to the question of dumping, which was freely alleged. He had received no proof to support that allegation. Even if the general definition of dumping as given in paragraph 134 of the Fiscal Commission's Report be taken, *viz.*, "that it is the sale of an imported merchandise at an f.o.b. price lower than the prevailing market price or wholesale price in the country of origin" he could find no proof that that had taken place. It was not enough to allege that dumping was occurring. But even if a Dumping Act was in force, mere allegation was not sufficient to justify Government in taking action. Osaka was a large cotton market in which quotations for standard goods such as 10s or 20s yarns must be well known and were probably published in the trade papers and also for different kinds of standard piece-goods, yet, though he had asked again and again whilst in Bombay for these quotations in the local Japanese markets, nobody seemed to have had them or to have found them out. There was no point in talking about dumping until at least the statement was supported by such preliminary figures. (MR. SAKLATVALA said he would obtain them.) Further, in comparing prices to ascertain dumping, it was necessary to deduct the local internal taxes such as consumption tax or excise duty. The fact that Japan levied a 10 per cent. consumption tax which was actually remitted on exports

—just as the Indian excise duty is remitted on exports of Indian piece-goods—did not affect the question at all and was no evidence in itself of dumping. Therefore, whilst this dumping was freely alleged, no evidence had so far been brought forward to support that statement.

It had been stated that paragraph 141 of the Fiscal Commission's Report showed that Government had already power under the Tariff Act to impose increased duties against Japanese imports of textiles under present conditions. That was not so. Paragraph 141 said that the Tariff Act empowered Government to take action " against any deliberate action of a foreign State tending to stimulate its exports at the expense of an Indian industry." There was no evidence here of any deliberate action by the Japanese Government towards that end.

Mr. Chadwick said that there was one more point and that he would finish with the preliminary part of the treaties. It had been stated that had the Government of India an Act such as the Safeguarding of Industries Act, 1921, in England, it could cope with the present position. The rules framed under the Act had been quoted in support of that statement. But the rules under an Act are subject to the provisions of the Act itself. Section 2 of that Act dealt with the prevention of dumping, but sub-section (3) (*b*) of that section laid down that no such order shall be made " which is at variance with any treaty or convention or engagement with any foreign State in force for the time being." We had a most-favoured-nation commercial convention with Japan. Consequently, even if a Safeguarding of Industries Act had been in force and if the present position of the textile industry complied with the rules under it, we could not take action without first denouncing our commercial convention with Japan.

Having finished with the treaties, Mr. Chadwick turned to the case as developed in his letter. He said that nobody denied that the Indian mills were at present feeling intense and severe competition. That was common ground. What he wanted was to know the extent and range of that competition and on a consideration of the general facts of the industry, to discuss the possibility and adequacy of action on the lines of the suggestions which had been made. So far as export duty on raw cotton was concerned, he understood that at present prices a duty of Rs. 10 a bale would mean a duty of three-eighths of an anna per lb. of yarn. (The members of the Committee confirmed this as a sufficiently rough approximation.) If that was the case and the difference in prices was anything like what he had been given to understand, it was clear that the export duty on raw cotton would have to be at a very high rate to possess any real practical protective value to the industry. That appeared to him to settle that point. The main proposition put forward in his letter of the 26th June was that the industry appeared to be suffering from over-production at the present level of prices. If that was the case, it was an over-riding consideration. Everything he had heard that afternoon pointed to the same conclusion. He would develop that a little further, because it was especially on that point he wished to know the intentions and opinions of the Association. The increase of looms in the last ten years was an admitted fact and with it the increased production of piece-goods of the same kind as was made by the Indian mills before the war. Whereas, before the war, the output of piece-goods by Indian mills was 1,100 million yards, to-day it was 2,000 million yards. That was not, however, the whole story. If the amount of cloth for sale on the Indian market were calculated by deducting exports and re-exports from total production and total imports, the position was that, before the war, India consumed annually very nearly 4,000 million yards of piece-goods, of which 1,100 million yards were of the coarser kinds and the balance of finer material. During the war, the total consumption fell, but the sales of the coarser goods increased as imports went down. To secure this market which was cut off from many of its former supplies, Indian mill production was increased. Gradually we were coming back to more stable economic conditions and the total amount of cloth available on the Indian market last year had reached the figure of 3,500 million yards. This was still nearly 500 million yards short of pre-war consumption. There was, however, an enormous difference in the division of the amounts between coarser and finer goods. Coarser goods now comprised some 1,900 millions and the finer goods some 1,600 millions as compared with, before the war, 1,100 millions coarse and 2,900 millions finer goods. During the war, the Indian mills had in fact succeeded in capturing a certain amount of the local market which formerly went in for better grade goods. It seemed to him that the real problem before the Indian mill industry was not only the com-

petition which they were at present experiencing from Japan, but the bigger problem whether, with prices of all classes of textile material falling as they were bound to do, the Indian mills would be able to retain the increased market which they had won in the country from those who formerly used imported goods. They could only do that by cutting down their prices as the prices of finer goods fell. Mr. Chadwick then quoted from Messrs. Forbes and Lund's Weekly Report of May 2nd, *viz.*, " the main reason for the present acute depression in the local mill industry is that Japan is selling in India superior quality goods at lower rates." If that conclusion were correct, then the imposition of enhanced duties on coarser piece-goods would be of no avail. In fact, if it were decided to deal with the present difficulty by means of enhanced duties, it would be necessary to enhance the duties on all piece-goods of all qualities except, perhaps, those on a few of the most expensive and finest fabrics. That raised an extremely wide issue.

That there was over-production at the present level of prices of textiles was indicated by reports from practically all large manufacturing countries. The position in England is well known. In the United States, the textile industry was also on short time. He had seen it reported that some of the Japanese spinning mills were going on short time. The figures which had been given that afternoon of the development of the weaving industry in the East pointed to the same direction. Thus it had been stated that in the last ten years looms in India had increased by 69,000 and in China and Japan by 65,000. Here even with about nearly 140,000 more looms in the East, the total consumption of piece-goods in India had not reached pre-war levels. In such circumstances there was bound to be competition and the recognised means of stimulating consumption was the general lowering of prices to consumers. Much of the Japanese production was of a slightly finer grade than that of goods made by the Indian mills. Increased duties on lower grades could not increase the landed cost price of finer Japanese goods imported and if, as it appeared to be the case, there was a general state of over-production, then in spite of the duties on the coarser goods, imports of the better grade articles would depress the price of the Indian-made coarser goods. Therefore, once again if the position were to be dealt with by tariff action, it might mean increasing the duties on practically all goods. That would mean raising the price of all cloth to the consumer, whilst to stimulate consumption and thereby give all the looms full employment, what was required was not increased prices to the consumer but cheaper prices to the consumer. Further, it did not appear that the fall in price in the Bombay market was larger, or, if anything, in excess of the fall which had taken place in world prices. The Association might be able to give him better figures, but Mr. Chadwick said that he had taken those which were supplied by the Association to the *Indian Trade Journal.* He had also taken the Index Numbers of prices of yarn and piece-goods in Manchester quoted week by week in the same journal. Japanese competition did not affect appreciably these Manchester quotations which could be taken as world prices. He compared the fall in prices between the first week of April 1924 and the middle of June 1925 on the Bombay market with the fall in Manchester prices of American yarns and cloth. The result was as follows :—

YARN.

	Bombay mills' fall in prices.	Manchester prices of American yarn for the same period.
No. 10s	25½%	..
No. 20s	19.6%	27.5%

PIECE-GOODS.

	Bombay mills' fall in prices.	Fall in Manchester price of cloth made from American cotton.
Longcloth.—36" × x37½ yard.— 9 lbs. ... — — —	18%	..
T. Cloth—28" × 24 yards—5 lbs..	14%	14%
Chaddars—54" × 6 yards—2 ½ lbs	12%	..

There was no wide disparity between these several percentages. This pointed to the cause of depression being not a local one merely affecting Bombay but due to wider world conditions.

Before concluding, Mr. Chadwick asked them to bear in mind what exactly were the import duties imposed by Japan on the kinds of yarns and piece-goods used by the ordinary population. It had been freely stated that the Japanese textile industry flourished under a high protective duty and was therefore able to export its goods at ridiculously low rates. But was this high protective duty on the coarser and commoner kinds of cloth and yarn a real fact? It had been denied by a Japanese correspondent in a letter to the papers last March. That correspondent stated that the import duty was only about 5 or 7 per cent. The Japanese import duties are available and are printed in Kelly's "Customs Tariffs of the World" and had been brought to the meeting. He had worked them out for 10s yarns and the common piece-goods. The result indicated that the Japanese import duties on such goods were only about 5 to 7½ per cent. *ad valorem*. Mr. Chadwick asked whether any of them knew if they were correct. (MR. STONES and MR. RAYMOND confirmed the fact that the import duty on coarse yarns and coarser kinds of piece-goods into Japan worked out to 5 to 7 per cent. though on the finer ones it would run up to 40 per cent.) The Japanese might, however, have advantages; as, for instance, their double shifts, and their failure to ratify the Hours of Work Convention. But it could not be stated that their duties were excessively high on these commoner grades of piece-goods.

Mr. Chadwick said that the position was a difficult one. But that was how he saw it as a whole. He would like to have that general statement of the position confirmed or criticised in detail. He also wanted to know—so far he had not ascertained—what scale of duties would, in their opinion, be necessary if help was to be given by the imposition of enhanced tariffs.

It was generally accepted that, if enhanced tariffs were imposed, they should be placed upon all piece-goods in order to be really effective. But it was objected as that course would arouse opposition in Lancashire.

SIR FAZULBHOY CURRIMBHOY: Sir Fazulbhoy Currimbhoy then took up the question on the lines that their big complaint against Japanese competition was that it was fundamentally an unfair competition. He based this on the treatment of labour in the Japanese mill industry and the failure of the Japanese Government to ratify the Hours of Work Convention. The Government had promised to put it into force, but had failed to do so for six years. How much longer they would dally with the question he did not know. It was not, however, merely a matter of hours of work. He wished to know whether the Government of India realised that the Japanese mills employed slave labour. (Mr. CHADWICK said he did not.) He explained that they employed young girls, merely giving them housing and food and no wages but a lump sum as dowry when they got married. But that was the worst form of exploiting child labour. They also worked women on night shifts. He considered that it was the duty of Government to keep itself thoroughly advised of the labour terms and conditions of employment in all the competing countries. Much unfair competition could arise from adverse labour conditions. He definitely asked to what stage of unfairness must these conditions attain before the Government of India took notice of them.

MR. STONES: Mr. Stones referred the Government to a recent report by the U. S. Commerce Department on conditions in Japan.

MR. CHADWICK: Mr. Chadwick said that in all such economic questions whether arising out of labour conditions, tariffs, or bounties, the test whether Government could take any definite discriminatory action was, as was always the case, whether, on a consideration of all trade conditions between India and that country, India was prepared to denounce the Commercial Convention existing between the two countries.

SIR FAZULBHOY CURRIMBHOY: Sir Fazulbhoy Currimbhoy then brought up the question that the duties recently imposed on piece-goods imported into East Africa, Iraq and other protected or mandated territories weighed unduly heavily on Indian manufactures. He wished to know what line of action the Government of India took in such matters. He complained that their exports to Zanzibar and East Africa had now fallen considerably and reiterated the statement that that market had been lost to the Indian mills.

MR. CHADWICK: Mr. Chadwick said that the question in regard to Kenya had been examined some two years ago when it was raised. Most of those countries imposed a specific duty upon the coarser kinds which formed the bulk of the imports with *ad valorem* rates on the better qualities, the import of which was much smaller. The duties in Kenya worked out then at the same rate as those on the high counts. As regards Iraq, there had already been some correspondence between Mr. Freke and the Indian Merchants' Chamber. (MR. MUNMOHANDAS RAMJI confirmed this.) Where there was any real differentiation which seemed adverse to Indian mills, the Government of India would certainly pursue the matter further on it being represented to them and the facts being established. In any case, he did not understand how exports to those countries had fallen off as trade returns showed in the last three years an increase.

SIR FAZULBHOY CURRIMBHOY: Sir Fazulbhoy Currimbhoy thought that Imperial Preference did offer a solution. There were many difficulties in gaining its acceptance and whilst it might work with reference to Britain, it would be extremely difficult with other parts of the Empire which treated Indian goods more severely than those of England. He wished to know what means the Government of India had for following trade developments in the different countries of the world. Italian competition was being felt by the Indian mills. When he was last in Italy, he saw the textile mills there working after 8 o'clock at nights. He also wanted information whether the Government of India is kept informed of commercial treaties made by the United Kingdom and to what extent India was bound by them. Further, he liked to have it made clear what exactly was meant by this most-favoured-nation treatment clause. Did it mean reciprocity on the line that India could not impose higher customs duties than those levied on Indian goods in the other contracting country ?

MR. CHADWICK: Mr. Chadwick first took up the point of the Treaties. The commercial treaties to which India had definitely adhered had already been published amongst the proceedings of the Council of State. His Majesty's Government kept the Government of India informed whilst negotiations in regard to new treaties were in progress. In these treaties, His Majesty's Government always endeavoured and usually succeeded in inserting a clause to the effect that any contracting country would give most-favoured-nation treatment to the trade of India and the Dominions so long as India and the Dominions gave most favoured nation treatment to the trade of that country. This mutual most favoured nation treatment would hold whether India and the Dominions formally adhered to the treaty or not. Almost invariably the Government of India remained satisfied with that most-favoured-nation clause. The-most-favoured nation clause simply laid down that the goods of one country should not be treated in the other country any worse than goods of any foreign country entering that country. India had complete freedom to raise or lower duties provided she did not make any differentiation between the goods of foreign countries. This led on to the question of Imperial Preference. Preferential treatment for goods within the Empire did not infringe the-most-favoured nation clause in commercial treaties. Therefore, as was explained last Thursday, the adoption of Imperial Preference was a practical way, consistent with our commercial obligations of imposing higher duties on goods of all foreign countries. In adopting a scheme of Imperial Preference, it was not necessary to extend it automatically to all parts of the Empire. There had been cases in the past in which a Dominion had given Imperial Preference only to goods from the United Kingdom. It was, however, always understood that, in any scheme of Imperial Preference, the goods of the United Kingdom should obtain the benefit of it, though not necessarily the goods of the other parts of the Empire. Mr. Chadwick wished to take this opportunity to make quite clear his position on this subject. Both last Thursday and to-day, he pointed out, in answer to a question, the practical effects and bearings of Imperial Preference. Imperial Preference as a possible remedy or palliative in the present position had not been considered by Govern-

ment. This he had stated last Thursday when the question was suddenly raised. He had no instructions to discuss Imperial Preference and he had no knowledge that the subject would be broached. There were many difficulties in regard to it of which they were all aware and the Government of India had not been and were not considering it. It had simply cropped up in these discussions and, whilst he was pointing out that it was a practical method of differentiating against foreign goods, he wanted to remove any suspicion that he was trying to jockey the Millowners' Association in recommending to Government its adoption. There was no suggestion of such tactics. In fact, even if it were the desire of Government to see Imperial Preference adopted, it was obvious to them that such tactics would defeat that object. But, whilst he made this clear, he would, however, entirely on his own initiative, suggest to businessmen in Bombay the consideration of this question of Imperial Preference somewhat differently than it had been done in the past. The war had upset the former economic balance between countries and at present it was becoming more and more apparent that the competition which Indian industry was feeling or was likely to feel in the near future was competition from foreign countries rather than competition from British goods. That was the case with steel and is apparently the case with cotton goods to-day. It might happen that Indian industries would consider they need more protection against foreign goods than against British, and if so, some form of what was generally known as Imperial Preference afforded practical means of doing so and might therefore be good business as far as Indian industries were concerned. That was the only view he wished to put before them in regard to Imperial Preference which was not now a live issue.

SIR FAZULBHOY CURRIMBHOY: Sir Fazulbhoy Currimbhoy said that he had appealed to the Finance Member for removal of the cotton excise duty. He now appealed to the Commerce Department to do its best to get that duty removed.

MR. CHADWICK: Mr. Chadwick said that the whole of the Goverment of India including the Commerce Department wanted to see the end of this duty. The Government of India was one and had declared their policy.

Mr. SAKLATVALA: Mr. Saklatvala said that he gathered from what had been stated that, owing to the most-favoured-nation clause, special duties ought to be imposed on goods from particular countries. The millowners did not ask for that. They had simply quoted Japan as the most glaring example. There were, however, other countries from which they were experiencing intense competition, for instance, Italy. Enhanced duties, if imposed, should be imposed on all foreign cloth.

MR. CHADWICK: Mr. Chadwick agreed with the first part. He said that special duties for special countries could not be imposed without starting a tariff wall. It was partly to ascertain the second part that he had come there to-day. From the figures given in his letter, it appeared that increased duties on 30s and coarser piece-goods would not meet their case, and that, if assistance was to be given by increased duties, it wolud be necessary to impose enhanced duties on all classes of piece-goods including the finer ones except perhaps a few of the very finest. Was this the case?

MR. STONES: Mr. Stones said yes. The duty would have to be on all kinds of cloth.

SIR DINSHAW WACHA: Sir Dinshaw Wacha enquired whether it was a fact that Japan was selling yarn and cloth at higher rates in their own country than in India.

MR. CHADWICK: Mr. Chadwick said that that was a point on which he was seeking information and that, during the last five days in Bombay, he had been unable to obtain it.

MR. SAKLATVALA: Mr. Saklatvala undertook to obtain the local quotations for Japan.

SIR DINSHAW WACHA: Sir Dinshaw Wacha maintained that he was always a Free Trader, but in this case the trade was not fair. In the first place, Japan paid no freight either on the cotton or the piece-goods returning to India and as a result they were underselling the Indian mills at their doors. Retaliatory measures should be taken.

MR. CHADWICK: Mr. Chadwick said that it was not enough to allege the existence of some arrangement whereby goods were carried free in order to take retaliatory measures. To enable such action to be taken, there must be some evidence of such arrangements. None has been forthcoming. Suppose enhanced duties were imposed against Japan, Japan would immediately protest and ask for reasons. It would be an impossible position merely to say that it was stated that their goods paid no freight and we were unable to support such a statement by facts.

SIR D. WACHA: Sir Dinshaw Wacha said that the objections to export duties as given by the Fiscal Commission were quoted in the letter from the Government of India. Some of those objections were taken from the Report of the League of Nations, but the quotation in the Government of India letter was not complete. The League of Nations stated that export duties were justifiable in exceptional cases. This was an exceptional case and an export duty on raw cotton was justified.

MR. CHADWICK: At what rate was such a duty needed for protective purposes? He understood that at present prices, Rs. 10 a bale only meant three-eighths of an anna per lb. of yarn, and the gap the millowners desired to bridge was much more than three-eighths of an anna per lb. of yarn.

This figure of Rs. 10 a bale amounting to three-eighths of an anna per lb. of yarn was generally accepted.

SIR D. WACHA: Sir Dinshaw Wacha said that were Lancashire in the position in which Bombay was to-day, Lancashire would not have tolerated such a state of affairs and the House of Commons would not have allowed it to continue.

MR. STONES: Mr. Stones supported this by a reference to the recent agitation in Lancashire against the excise duty on artificial silk.

MR. LALJI NARANJI: Mr. Lalji Naranji stated that Japan was enjoying not less than 16 per cent. advantage to-day on account of the rates of exchange. In pre-war days, Japanese exchange was 155; to-day it was 110. If 100 yen be taken as the cost of cloth, then 70 of that 100 represented the cost of cotton and 30 the cost of wages, manufacture, etc. With a 30 per cent. alteration in exchange raw cotton cost them 21 more, but the other items would be unaltered. Therefore the cloth which originally cost 100 yen to produce would now cost 121. This, on the old exchange of 155, is a clear advantage of 16 per cent. in the rupee price of the cloth.

MR. CHADWICK: There is a fallacy in those figures. The increase due to the variation in exchange has only been calculated on the 70 and no alteration has been made in the 30. It is a normal feature that in any country with depreciated exchange internal prices rise. This has been demonstrated in Russia, Germany and France and everywhere where depreciation occurred. Therefore, it is not correct to leave the 30 in this calculation unaltered.

MR. LALJI NARANJI: Mr. Lalji Naranji produced a balance-sheet of one of the Japanese mills and also a balance-sheet of one of the Bombay mills and handed them in. From these he inferred that the Japanese mill earned 3 per cent. on its capital whilst the Bombay mill lost 5 per cent. without excise duty and 7½ per cent. with excise duty. In effect, the Government of India was giving an unfair advantage to a country from which it derived no benefits and a country which was protected by a high tariff wall which he believed to be as high as 35 per cent.

MR. CHADWICK: Mr. Chadwick wished to get clear what were the actual Japanese import duties on the lower classes of goods, say, yarn of 10s and 20s and piece-goods of the coarser kinds. It had been stated before that it was 40 per cent. and now 35 per cent. whilst in a letter which appeared in the Bombay papers last March, it was stated that it was only between 5 and 7 per cent. on these classes of goods. Had that been verified? Of course he would like to have that done. He had calculated from the Japanese tariff the actual *ad*

valorem rates as well as the duties imposed by Japan on the lower counts of yarn and the coarser classes of piece-goods and, as far as he could see, the duties were not 30 or 40 per cent. but between 5 and 7 per cent. Would anybody dare confirm that ?

MR. STONES : Mr. Stones said that the import duties on the lower grades of yarn and on the commoner coarser piece-goods were about 5 to 7 per cent. It was on the finest goods that they ran up to 40 and 45 per cent.

MR. LALJI NARANJI : Mr. Lalji Naranji said that the Japanese had got an advantage in freight. The Japanese paid the same freight to Bombay as they paid to Calcutta or Madras and even to ports in Persia and East Africa, for which Bombay had to pay heavy freight charges.

MR. MODY: Mr. Mody wanted to know for what earthly use the most-favoured-nation clause was. He would recommend denouncing the Japanese treaty forthwith.

MR. CHADWICK: Mr. Chadwick explained how this treaty had been used by the Government of India only in the last six months to prevent Japan from putting prohibitive duties on the imports of Indian pig iron into Japan, which was a very serious matter for the Indian iron and steel industry since Japan was India's largest market for surplus pig. Before denouncing the commercial treaty consideration had to be given to the whole trade of this country and not solely to one interest.

MR. MODY: Mr. Mody did not want to enter into a detailed discussion of figures about Japanese competition. The cardinal fact was that crores of stuff were coming into India annually and India was getting no sort of protection. There was no country in the world where industries were handicapped by treaties and where at the same time competition was allowed to continue. If the conditions of production in the two countries were the same, then it could legitimately be argued that the Indian firms should put their houses in order, but conditions of production were vastly different in India. The mills were burdened with a crushing taxation. New-fangled notions of labour welfare originating from Conventions held in countries which had not the least knowledge or idea of Indian conditions were imposed upon Indian industry. At the same time, the competing country which kept its mills working 22 hours in the day and employed women and children at nights was allowed to send its goods here unrestricted whilst Indian mills were handicapped with all sorts of restrictions. As if that was not enough super-tax, income-tax, excise and cotton cesses were also imposed. He enquired where it would all end. If any principle was followed in free trade, then let all nations compete on equal terms and allow the Indian millowners to run their own industry on their own lines not subject to such restriction. Then it would be possible to see whether that industry could maintain itself against outside competition. The present competition was now grossly unfair and at the same time Government had not raised their finger to help in the time of its adversity. Government had apparently no intention of abolishing the cotton excise duty and at the same time there was no chance of these two proposals being given even a trial. What was wanted was immediate relief and not arguments or statistics. And unless that relief was given, the industry would go to the wall again in face of tremendous odds it was now meetting.

MR. WADIA: Mr. Wadia recalled the fact that, when Mr. Noyce was Cloth Controller, there was a discussion about the export duty on cotton. Mr. Noyce at that time told him that he met a representative of one of the Japanese houses and asked him if he could arrange to send his firm raw cotton free of duty, if his firm would sell the resulting cloth in India at reduced fixed rates. The reply he got was that the Japanese firm would send that cloth to whatever market they could get the highest price.

MR. CHADWICK: Mr. Chadwick enquired what figure they had in mind as a suitable rate of export duty per bale on exported cotton.

MR. WADIA : Mr. Wadia pointed out that 35 lakhs of bales were exported from India last year. An export duty of Rs. 5 a bale would give enough money to do away with excise duty. It was wrong to state that, if the duty were even at a higher figure than Rs. 5 Japan

would turn to American cotton. That was not so. Japan could not do without Indian cotton. Some 70 per cent. of her takings from India consisted of lower grades of short-staple cotton in the production of which India had almost, if not entirely, a monopoly.

MR. SAWYER : Mr. Sawyer disagreed entirely with the objections taken by the Government of India to export duties on grounds of principle. He desired definite answers to the criticisms he would make on these objections.

Objection No. 1 stated that a protective export duty penalised every part of the industry using the raw material. He wanted to know what objection there was to penalising the whole of the cotton industry of Japan.

MR. CHADWICK : Mr. Chadwick stated that Japan was one of our customers for many articles besides cotton and that it was unwise in business to aggravate one's customer more than was necessary.

SIR. DINSHAW WACHA: Sir Dinshaw Wacha disagreed altogether.

MR. SAWYER : Mr. Sawyer enquired whether the Japanese possessed any qualms by annoying India.

MR. CHADWICK: None, I imagine provided always that they did not damage other of their business interests.

MR. SAWYER: Mr. Sawyer did not consider, with regard to objection No. 2, that an export duty for protective purposes could be deemed to be economic aggression.

MR. CHADWICK : Mr. Chadwick thought it could.

MR. SAWYER: Mr. Sawyer disagreed. In regard to objection No. 3 that the export duty would have to be heavy to render it effective, he did not agree with Mr. Wadia that it should be at Rs. 5 a bale. It should be 5 per cent. *ad valorem* and nobody could deem that anything but moderate.

With regard to objection No. 4, India had a monopoly of short-staple cotton, there was no other country in the world where matia was produced. There was a rumour in the market the other day that the Japanese were purchasing matia for explosives. Again, it was stated that the trade was suffering from over-production. This was due to the fact that Japan had taken away India's exports markets in East Africa and Mesopotamia. Where Indian sheetings were formerly popular, only 9 Dragoons were now being widely sold. That was why it appeared there was over-production.

MR. PETIT: Mr. Petit maintained that even if Imperial Preference were economically sound there would be many difficulties over its introduction and working.

MR. CHADWICK : Mr. Chadwick said he hoped he had already made it clear that he was not there to discuss Imperial Preference. It had been raised unexpectedly and in answer to a direct question he had merely pointed out that it was a practical method of differentiating against goods of foreign countries. But it had not been considered as a matter of practical politics.

MR. PETIT : Mr. Petit enquired what the Commerce Department was doing to help the textile industry.

MR. CHADWICK : Mr. Chadwick stated that his presence there to-day was to ascertain from them the extent and nature of that competition, and if it was to be met by tariffs to obtain some idea of the range of goods on which it would be necessary to impose enhanced duties and some idea of the increase considered to be needed. Thus, this afternoon, it had been stated that it was practically a case of increasing the duties on all yarn and cloth and

not merely on 30s and under. One point he had wanted to get quite clear was whether the imposition of duties on 30s and under and on cloth made from them would meet the mill-owners' case.

MR. PETIT: Mr. Petit said that the imposition of increased duties on all piece-goods should be considered.

MR. CHADWICK: Mr. Chadwick replied that, if increased duties were to be effective as an aid to the industry, that appeared from the discussion to be necessary. But it raised a very wide issue. It meant definitely raising the prices of all piece-goods to all consumers. For that a very strong case would have to be made out and examined in detail by some investigating body, such as the Tariff Board. But, even so, he would be glad to hear what additional duties on all piece-goods the millowners considered would be needed.

MR. PETIT: Mr. Petit considered that it should be sufficiently high to nullify imports and that would mean an additional 25 per cent.

MR. CHADWICK: Mr. Chadwick said that that would mean duties round about 35 to 40 per cent. on all piece-goods.

MR. SAWYER: Mr. Sawyer considered that the rate should be 20 per cent. on all foreign cotton piece-goods.

MR. PETIT: Mr. Petit enquired why the Government of India came forward and supported all sorts of wild labour legislation which members in the Assembly brought forward. He wanted to know whether Government realised that all these measures, however well meaning in conception, indirectly and sometimes directly, increased the difficulties of the industry.

MR. CHADWICK: Mr. Chadwick replied that a perusal of the debates on these subjects would show that Government always had that aspect in mind and in several cases had opposed many of the schemes put forward and in most had modified them.

MR. PETIT: Mr. Petit trusted that Government would take a strong attitude in this respect as the industry had reached the limits of what it could bear and he desired an assurance on this point.

MR. CHADWICK: Mr. Chadwick assured him that that point would be borne in mind.

MR. PETIT: Mr. Petit referred again to the duties imposed in Palestine and other mandated territories which weighed heavily on Indian products.

MR. CHADWICK: Mr. Chadwick said that they were already in correspondence to ascertain facts and where it was found that such statements could be substantiated, endeavours would be made to get those duties rectified.

MR. MUNMOHANDAS RAMJI: Mr. Munmohandas Ramji stated that he had listened to all the discussion about export duty on cotton and higher import duties on textiles. They all realised to some extent the difficulties with which Government were faced. But he came back to one central point, namely, the repeal of the cotton excise duty which was in the choice of Government. He desired that it should be done away forthwith. The Assembly had passed a resolution to that effect. The industry was crying for some help and he hoped that Government would find their way to remove the excise duty.

MR. MORARJI: Mr. Morarji considered that India was getting no benefit from this treaty with Japan and agreed with Mr. Mody that it ought to be denounced. Other countries had fostered their industries by heavy import duties, not only Japan. He considered that India ought to do the same and duties on textiles should be enhanced.

MR. CHADWICK: Mr. Chadwick enquired by how much.

MR. MORARJI: Mr. Morarji thought that, roughly speaking, another 20 per cent. would be necessary. He was sorry that in spite of the gravity of the situation, Government was obdurate and did nothing and had not even repealed the cotton excise duty. Yet at times they moved quickly as, for instance, in the matter of increased emoluments to the services as a result of the Lee Commission's recommendations which had been carried through against more opposition. The Finance Member had suggested that the millowners should put their house in order. Every millowner in fact had carried out vigorous retrenchment and if the Government of India emulated their example and applied the axe as vigorously as they had done, there would be enough finance to repeal the excise duty.

MR. WADIA: Mr. Wadia summed up the discussion by emphasising the seriousness of the position. If no help was forthcoming from Government they would be thrown back on their own resources. They were to meet the labour leaders the following Thursday to discuss the situation and to come to a settlement. It may be necessary to reduce wages or go on short time. That would not have been the case had Government given them the full assistance they needed and wished to help the industry. In Japan help was forthcoming at once. For instance, he had received a trade paper which showed that the Japanese Government were giving a subsidy of one million yen a year for four years to encourage the establishment of a local dye industry. He hoped that the Commerce Department would get busy and help the industry; otherwise, he did not know what good they could get out of the Department. He asked that the difficulties of the industry should be clearly represented and said that a reply would be sent later to the letter from the Government of India. The first step was, however, to repeal the excise duty and he hoped that the Government of India would be convinced of the necessity of doing so. He thanked every one for patiently hearing the discussion.

The meeting then terminated.

J. P. WADIA,
Acting Secretary.

APPENDIX 15 (F).

DEBATE IN THE LEGISLATIVE COUNCIL.

GRAVE SITUATION IN BOMBAY COTTON TEXTILE INDUSTRY.

Adjournment Motion.

THE HONOURABLE THE PRESIDENT: Order, order. I have received intimation from the Honourable Member Mr. Bole of his intention to ask the leave of the House to allow him to move a motion for the adjournment of the House. The motion he wishes to move is as follows:—

> "In view of the grave situation in which the Bombay Cotton Textile Industry finds itself and the possible effect of the decision of the Millowners' Association to reduce wages of their workmen which will affect a lakh and fifty thousand operatives of Bombay and their families and also the effect of this situation on the welfare of the Presidency as a whole, this Council earnestly requests His Excellency the Governor in Council to be pleased to place the gravity of the situation before His Excellency the Governor-General in Council urging him to take such steps as would bring immediate relief to the mill industry and the operatives working therein."

The Honourable Member has obtained my consent as required by the rules. I will now call upon him to ask for the leave of the House to allow him to move this adjournment motion.

MR. S. K. BOLE : Sir, I beg permission to move the adjournment of this Council for the . . . .

THE HONOURABLE THE PRESIDENT : The Honourable Member has got to ask for the leave of the House.

MR. S. K. BOLE : Sir, I ask for leave of the House to move an adjournment of this Council for the purpose of discussing a definite matter of urgent public importance, namely :—

" In view of the grave situation in which the Bombay Cotton Textile Industry finds itself and the possible effect of the decision of the Millowners' Association to reduce wages of their workmen which will affect a lakh and fifty thousand operatives of Bombay and their families and also the effect of this situation on the welfare of the Presidency as a whole, this Council earnestly requests His Excellency the Governor in Council to be pleased to place the gravity of the situation before His Excellency the Governor-General in Council urging him to take such steps as would bring about immediate relief to the mill industry and the operatives working therein."

THE HONOURABLE THE PRESIDENT : Has the Honourable Member the leave of the House ? Does any Honourable Member wish to object to leave being granted ?

I take it that no one objects. The leave is granted, and the motion will be taken up at 4 o'clock as required by the rules. The House will adjourn for the tea interval at half-past three.

After recess.

MR. S. K. BOLE : Sir, the motion which I have to put before the House is as follows :—

" In view of the grave situation in which the Bombay Cotton Textile Industry finds itself and the possible effect of the decision of the Millowners' Association to reduce wages of their workers which will affect a lakh and fifty thousand operatives of Bombay and their families, and also the effect of this situation on the welfare of the Presidency as a whole, this Council earnestly requests His Excellency the Governor in Council to be pleased to place the gravity of the situation before His Excellency the Governor-General in Council urging him to take such steps as would bring about immediate relief to the mill industry and the operatives working therein."

THE HONOURABLE THE PRESIDENT : The Honourable Member might add a few words to bring it within the rules : " and that the House do now adjourn."

MR. S. K. BOLE : Yes, Sir, " and that the House do now adjourn."

Sir, it is well acknowledged that the textile industry of Bombay and the Bombay Presidency finds itself in a very grave situation, so much so that I understand the Bombay Millowners' Association has decided to take a very serious step of a reduction in wages. Why is this grave situation created and what are the effects of this situation on the town of Bombay and the Bombay Presidency as a whole is for this House to seriously consider.

Sir, at the suggestion of His Excellency, who is very sympathetic towards labour, we, some of the representatives of workers had met the Committee of the Bombay Millowners' Association and they placed before us some of the main causes of the present situation. They were : -

(1) Excise duty levied by the Government of India at 3½ per cent. on production ;
(2) Import duty on all machinery, stores and accessories imported for use in mills ;
(3) Heavy Imperial and Local Government and Municipal taxation on the industry ;
(4) Unfair Japanese competition due to the system of working hours in their mills ; and their depreciated exchange and also competition of other foreign countries.

The history of the excise duty is well known to all Honourable Members of this House. As Sir James Westland said when introducing this Bill of Excise Duty, it was imposed at the dictation of the British Government and not by the wish of the then Government of India. In spite of strong protests of all parties and all people of this great country it has been continued to be levied. The Government of India and various members of that Government including the present Finance Member and the Member for Commerce have acknowledged it as a wrong duty which should be taken off at the earliest possible moment.

Sir Valentine Chirol in his book on India says nothing has done more to diminish the faith in British justice and fairness than the existence of this duty. Why have not the Government of India taken it off? Their excuse so far had been that their finances would not permit, and latterly when finances permitted they say that provincial contributions must take precedence for remission. In the opinion of all Bombay merchants, if Government had the will they could find ways and means to repeal this duty. But they think still that unless the Government of India have got enough finances at the same time to reduce the import duty they would not repeal the excise duty till then. I do not know how far this opinion is grounded on facts, but it is for the House and the Government of Bombay to make a pronouncement on it. But I venture to suggest that nobody in this House will be against the Government of India repealing this duty at the present serious moment. It must be remembered that the Government of India are collecting a much larger revenue from this duty than they ever anticipated owing to the shortness of cotton throughout the world and the consequent high price of raw cotton and also the high price of cloth.

Coming to the duty on machinery, stores and accessories, up to 1920 duty was only levied on stores and accessories in certain specified cases, but generally all stores and accessories for weaving mills were admitted free of duty. It was only as a war measure when Government wanted finance badly that they levied 2½ per cent. duty on machinery and 15 per cent. on stores and accessories. The Government of India all along recognised until 1920 that mills should not be asked to pay excise duty as well as duty on stores and accessories. It was only done in case of financial stringency, and now that the Government of India's finances are much better, they should, I submit, take off this duty at once.

I do not wish to speak much about the taxes levied by the Imperial and Local Governments and local bodies because the members of this House are well aware of these.

As to the Japanese competition, I think the Government of India, according to the Washington Conventions, rightly introduced the new Factory Law and reduced the hours of work in Indian mills. Japan agreed to these Conventions, but have they ratified them or put them in operation? They have not, Sir. We know that their mills are worked 22 hours a day in two shifts and even women and children are employed at night on terms which I cannot but characterise as slavery of the worst kind. Is it fair, Sir, that our industry should be exposed to such unfair competition and thereby deprive the Indian labour of their just dues?

I do not wish to speak much about the Japanese depreciated exchange but perhaps other Honourable Members who are well versed in this subject will enlighten the House on the same. But I am told that this gives them an advantage of 18 per cent. and that is why they are able to lay down in Bombay and other ports yarn and cloth at prices at which the Indian mills can barely manufacture.

These are the facts that were placed before us when we met the Millowners' Committee and I understand they were placed formerly by the Millowners' Association in the form of a memorial before His Excellency the Viceroy as well as various members of the Government of India. But not having any relief from the Government of India the millowners, I am told, had to find ways and means to reduce their working cost and I understand that last Monday they have decided at a meeting to reduce the wages by 11½ per cent. When we met the Millowners' Committee we represented the general feelings of the operatives that they would have preferred to work one or two days short time rather than a cut in the wages but the Committee pointed out to us that their cost would go up by ⅝ of an anna per pound and when

cloth is not moving at present prices they would find it more difficult to dispose it off with the additional burden and therefore they preferred reduction in wages. The fear of the work-people was that if a cut was made the millowners would never reinstate that cut, but I understand that an assurance is given to labour that if mill industry again came in good condition they would reinstate the present cut.

But the House will realise the gravity of the situation owing to the decision of the Mill-owners' Association and the hardship it will cause to a lakh and a half workers or three lakhs including their families. It is on behalf of the workers therefore that I have brought this proposition that the Government of Bombay may place these facts before the Government of India with a view to alleviate the sufferings of the workers in the present difficult times.

Between this fight of the millowners on the one hand and the Government of India on the other the poor workers who sweat their whole time in work are the sufferers. I strongly therefore protest against the obdurate attitude of the Government of India in defiance of the general opinion of the country as expressed in the Legislative Assembly. I appeal to Government to take immediate action to avert the crisis by offering immediate relief to the mill industry which is the premier industry of this Presidency and also to the thousands of workers engaged therein.

MR. V. A. GRANTHAM (Bombay Chamber of Commerce): Sir, I welcome that part of the resolution which deals with the depressed condition of the mill industry in Bombay, of which, after all, the labour situation is but a symptom, for it merits, in my opinion, frank discussion and my remarks will be confined strictly to that part of the resolution. It is clear that the industry is in a very depressed condition and as one interested in the Indian mill industry, I sympathise with every effort made to re-establish its prosperity.

But, while I agree that Government should help indigenous industries where self-help is no longer of avail, there would appear to me to be a growing tendency on the part of the industries in India to appeal to Government for help without a really deep examination of the facts surrounding the depression in those industries and without a proper and full presentation of all the relevant facts being made to Government, and because I am jealous of the dignity and good sense of this House, I would ask it not to allow itself to be swayed by sentiment or emotion but to examine very carefully whether a good case has been made out before they wholly support a motion of this description.

In the first place it should be borne in mind that there is a world-wide depression in the textile industry and that even in the largest cloth producing countries short time has already had to be resorted to. Figures would appear to show that the reduction in the prices of local made cloth is no greater than the reduction in the prices of cloth in other countries, showing that if our industry is to keep its head above water, even greater efforts must be made to increase the efficiency, not only of production in India but also of other methods of buying and selling. It is no use our talking blindly of dumping when all other world prices are down equivalently with local prices, for such talk can only show an imperfect appreciation of the facts.

Therefore, the first steps in establishing a claim to Government assistance must be to show that every method of self-help has been tried and failed.

Many points arise in this connection.

Firstly as regards costs the following points have to be considered:—

(*a*) Improvement of managing organisation and elimination of unnecessary middle-men.

(*b*) Improvement of production per spindle and per loom.

(*c*) Economy in purchase of raw material.

(*d*) Reduction in wages.

Then as regards the disposal of the production there are the following points :—

(*a*) efficiency in sale of production.
(*b*) danger of over-production.

This question of over-production is to my mind a very serious one, and one to which, I think, insufficient attention has been given by the millowners.

What are the facts ? The Indian mills are producing more than before the war, while imports have increased in the same proportion. The local mills still hold over 90 per cent. of the trade, *i.e.*, the same proportion as before the war but Japan has made enormous strides at the expense of the United Kingdom and the Indian mills are afraid that their competition may go further and that their own trade may now be cut into. As regards cloth the Indian mills are producing far more than before the war. In fact they have almost doubled their production, while the export of Indian cloth is now on the increase. It must be borne in mind that while the total production of cloth, coupled with imports, are rapidly approaching the pre-war figure, the power to consume per head is much less for various economic reasons, so that there must be a grave risk in over-production.

The lesson I deduce from these facts, therefore, is not that Japanese or other competition has yet taken away any trade from the Indian mills, but that the lowering of world prices has increased competition to such an extent that Indian mills are in some cases working at a loss in order to retain their hold on local business. The danger therefore is more a future one than a present one and the fear is that the Indian mills are not going to be able to continue to sell their increased production of coarse cloth. I see the danger, of course, and I agree that it is one to be carefully watched and that the risk should be examined now and protected against, if necessary, but I submit that we require a more careful presentation of the facts than has yet been made, before final judgment can be passed. Vague generalities in a matter of this sort will not suffice.

Personally I feel very strongly that, pending examination of all the facts, and until Government are in possession of information that may permit them to decide whether Government assistance is necessary, production should be reduced. I know this is a debatable point, but I cannot agree that it is wiseto continue to produce excess quantities of cloth and yarn in the present depressed state of the market, because of the fear that if production is reduced, foreign countries will step in and capture the market. The argument that a smaller production increase the cost of production is a more potent one but I still do not see how one can get away from the fact that the excess production is not finding a market even now and that it is crippling the industry which cannot finance it. Moreover, these stocks constitute a mill-stone which will take away from the local industry the power to take advantage of any improvement that may take place in the market.

In the present circumstances, therefore, I question whether the local mills have helped themselves to the full extent possible and whether their cry for Government assistance is not a little premature.

This motion, I take it, refers principally to the Bombay mills. It would be interesting to hear whether the Ahmedabad, Cawnpore or Madras mills are in the same plight. My information, and I regard it as reliable, is that they are not, and that although their margin is small they are moving their production. And this is not entirely due to the fact that cheap cotton exists at the mill-door.

Moreover, there is a tendency for up-country mills to increase more rapidly than Bombay mills and this in itself must restrict the demand for Bombay mill production. I wonder whether sufficient consideration has been given to the question of the extent to which up-country competition is contributing towards Bombay depression. Finally, with the exception of the request for the removal of the excise duty no concrete proposals have been put before Government nor have we been told exactly the extent of the protection that is required. We are not even assured that the removal of the excise duty in itself will be a sufficient protection.

My feeling is that appeals to Government for help should not be made until satisfaction has been given on all these points.

If and when Government are satisfied on all these points the question of the direction in which the help can be applied may be examined, and in the meantime, it is apparent that Government are giving close consideration to the whole problem.

The various means of help which have been suggested are :—

(*a*) Removal of Excise Duty.
(*b*) Discriminating protection against India's chief competitors.
(*c*) Removal of import duties on machinery and mill stores.
(*d*) Regulation of working hours of labour in other countries.

I rule out the question of exchange as it is well known that the depreciation of Japanese exchange is due to causes beyond the control of either the Indian or the Japanese Governments, and in view of the uncertainty which surrounded gold values until quite recently, I do not attribute to the Government of India, in regard to their exchange policy and the rise in Indian exchange as compared with countries other than Japan, the sinister motives that have been suggested in some quarters. Suffice it to say that we are all anxious now, to get back to a gold basis as soon as possible and that it would appear that we are on the eve of attaining our wishes in this respect. Moreover, the British commercial community are just as anxious as anyone else to avoid the evils of undue currency management.

In this connection, I would like to utter a word of warning to the House. Honourable Members must have remarked the fact that Bombay, as a Presidency, has carried but little weight, hitherto, in the Central Councils, proof of which may be seen in the failure of this Presidency to obtain any relief either in respect of the Meston Settlement or the excise duty, and those of us who give consideration to these matters may have wondered why.

I suggest, Sir, for the serious consideration of the House that it is because we are the one Presidency which does not pull its combined weight in Delhi, the reason being that the strength which we should derive from unity is dissipated in party faction. I suggest further, Sir, that a more generous appreciation of the fact that Government can be actuated by disinterested motives and that an Englishman is capable, just as capable as an Indian, of serving the country of his adoption, and a little less urgency and bitterness at this stage in the talk surrounding the process of Indianisation of both Trade and Government, would give the average Englishman that confidence that would enable him to give the more generous and less defensive consideration to problems of trade policy and self-government that is natural to him, and would enable this Presidency to achieve in the Central Councils, a unity that would compel attention and respect.

At the moment, our views are divided, in many cases quite unnecessarily, and I say plainly to my Indian friends that while I understand that sensitiveness arising out of pride and affection for their country, which makes them suspicious of an European's motives, they are making a grave mistake in antagonising rather than enlisting the sympathy and aid of the British commercial community in the solution of what are, after all, national problems.

As regards the excise duty, everyone is agreed that it is a bad duty and must go, even though its removal may entail taxation in another form. But in view of the crying necessity for relief from general taxation in this Presidency and for more money for the Transferred Departments, which can only be achieved by a revision of the Meston Settlement, I feel personally that we should work for that revision before pressing for the removal of the excise duty. Therefore I should prefer assistance to the industry, if it can be shown that the industry requires assistance, to come in the shape of discriminating protection, in the removal of machinery and mill-store import duties, and in an effort to get other countries to carry into effect the working hours prescribed by the Geneva Convention rather than by the removal of the excise duty at this stage, for the latter must delay, I feel sure, the revision of the Settlement.

If, however, there is no chance of a revision of the Settlement, I would support the demand for the removal of the excise duty as a means towards bringing some economic relief to this Presidency.

Of the other remedies I have mentioned, two at least would appear to require consideration by the Tariff Board, to whom the millowners have not as yet made any representation while the fourth can only be solved by international negotiation.

In conclusion then, Sir, I sympathise with the resolution and consider it is all to the good to make public the facts surrounding the depression of Bombay's premier industry, but I am not satisfied that everything has been done by the industry to help itself or to present its own case.

However, I think there can be no harm in drawing the attention of Government to the existing state of affairs and I therefore support the resolution.

MR. J. A. KAY: Mr. President, my honourable friend Mr. Grantham has in his speech referred to excise duty and also the question of the Meston Settlement which was discussed in this House at great length on the last occasion. I submit, Sir, excise duty as levied on production is an unfair tax on the mill industry and quite a different issue from the Provincial contribution. I ask Government this: why it is not levied on all industries and why only on the cotton textile industry? We are taxed 3½ per cent. on every lb. of our production. In addition we are compelled to pay all other taxes similar to other industries.

In referring to the question of the Meston Settlement my honourable friend the Honourable Member Mr. Grantham claimed for a revision of that settlement. On this question we are all agreed. He claims a bigger portion and also claims for a larger remission than what we have up to now been successful in getting. In that settlement we got last year 22 lakhs of rupees. In 1923 Bombay mills made a loss of 117 lakhs of rupees. We paid in excise duty in that year something like one crore of rupees. Now as regards other provinces they are not only getting a larger share under the Meston Settlement, but they are benefiting from what we are paying as excise duty on the manufacture of our mills.

It has been asked what is the position of the industry to-day? Briefly the position is this. The Bombay mills are holding to-day stocks of manufactured goods approximately to the value of 8 crores of rupees and owing to the difficulty of the financing, some of the mills cannot carry on much longer and many mills will have to be closed down which will mean unemployment and a loss to labour. That, Sir, is the position. The causes, in my opinion, are, dumping and unfair competition by Japan, and the unfair labour conditions which we have to compete against in certain other countries, particularly China and Japan due to their not adhering to international conventions. The other causes are heavy Imperial and local taxation. I should like to say that everything that could be done by the Bombay millowners to relieve the situation has been done by them as far as possible. May I inform this House that we have been actively agitating in regard to the abolition of the excise duty since February 1924? We have discussed and discussed thoroughly every possible ground and avenue for remedying the present state of affairs. We have gone with the Government of India into the question of an export duty on cotton; we have gone into the question of increasing the import duty on Japanese yarn, and we have discussed with the Government of India the question of the excise duty. We have also discussed, as pointed out by my honourable friend Mr. Wadia, at very considerable length, the question of short time and over-production. To my mind, Sir, of the steps which could be taken to ease the situation, the first is the immediate removal of the cotton excise duty. It has been agreed by men of all shades of political opinion and by the majority of the commercial community that the tax is unfair. It has been admitted by Honourable Members of the Government of India that it is unfair, and that they would like to remove it. A tax which was imposed as a countervailing duty became during the war a tax for revenue purposes. I submit, Sir, that it is an unfair tax as it is on production. The majority of the Bombay mills are losing money and losing money heavily—we have to pay 3½ per cent. on our manufactures, and under these circumstances, Sir, I submit that we are being taxed not on profits, but on capital.

I wish to draw the attention of Honourable Members to the unfair labour conditions which we have to compete against. India, as a member of the League of Nations, is entitled to representation on the International Labour Conference. Each year we send representatives to that conference on behalf of Indian labour, to discuss international labour questions. In 1919 Japan agreed to the 60-hour week convention at the Washington Conference; so did India; and in this country, as a result of the deliberations of the International Labour Conference, we have put on the statute-book in the course of three years more labour legislation than any other country in the world. Two Acts, first the amendment of the Factories Act and the second the Workmen's Compensation Act, received the very cordial support of Bombay employers. Now, Sir, what has happened in Japan and China? I raised the question myself in 1923 and I believe the Honourable Member Mr. Baptista raised it last year, as to what had happened with regard to the 60-hour a week in Japan. We were told that the Government of Japan had ratified the convention, but had not been able to bring it into force. The result, therefore, is that to-day in Japan, as the Honourable Member has pointed out, women work at night, children are employed in the mills, and the mills are running two shifts, working 22 hours a day. I came across a report submitted last July by the Municipal Commissioner in Shanghai, and that report reads as follows:—

> "According to a report published last July by the Municipal Council of the International Settlement at Shanghai no municipal regulations are in force governing the age at which young persons may be employed. But steps have been taken by the managers of the British mills to give effect to the recommendation of the Child Labour Council appointed by the Municipal Council, that the employment of children under the age of 10 years should be prohibited. In the area covered by the Foreign Settlement and the two Chinese districts of Chapei and Pootung (the only areas of the Chinese-controlled city of Shanghai regarding which figures are available), there are 273 mills and factories, of which 25 are British, 186 Chinese, and 31 Japanese-owned. No municipal regulations are in force governing the age at which young persons may be employed therein."

There is ground, I submit, for help from the Government of India in this connection, but the procedure with regard to international labour is not easy, because there is no legal obligation upon nations to put on the statute-book anything which they may ratify. The only redress that we can seek is through organised associations appealing to the International Labour Office, and if we wish to press it any further, the point may be investigated by a Committee. If that is all the satisfaction we are going to get out of the International Labour Conference, then I think the time has come when the Government of India ought to bring pressure to bear upon that section of the League of Nations which deals with labour problems to put things in order.

I now wish to make a reference to that part of the resolution which relates to the question of reduction of wages. I ask Honourable Members to rest assured that this reduction which the millowners have been compelled to make has been the last thing which they wanted to do. The question of wages is difficult. We have been faced, since the end of last year, with a very trying situation. We have been told that any adjustment of wages should be made on the basis of the cost of living. I submit that any adjustment so made would be unfair. The main point to be considered on the question of wages is what the industry can afford to pay. I am one of those who believe that an industry should pay its workmen a fair living wage, and not make adjustments merely in reference to the living index number irrespective of trade conditions. The cost of living index given in the *Labour Gazette* for June shows that the decline is 16 per cent. from the high-water mark reached in October 1920. I only hope that trade conditions will soon improve again so that an adjustment can again be made which will prove satisfactory to all.

There is one other point which has been the subject of discussion in certain sections of the Press, and that is with regard to the bad management of the mills. The allegations made, speaking generally, are such as cannot stand investigation. There are good and bad managed mills just as much as there are good and bad managed Government Departments. The case to-day is that of our best managed mills which are losing money heavily. With these remarks I support the motion.

MR. LALJI NARANJI (Indian Merchants' Chamber): Sir, in supporting the motion before the House I beg to answer certain points that have been raised by the honourable the Chairman of the Bombay Chamber of Commerce. He has very rightly questioned the reduction of wages which the millowners have decided on. But in raising that question he raised the question ot the prices of cloth not having declined more than in other countries, the question of over-production and world depression. I will try to meet these three points. As regards the question of world-wide depression, may I ask the Honourable member who raised that point whether the conditions in India are the same as those prevailing in other parts of the world ? The same Honourable Member in the course of his speech admitted that they are not the same. I will only give another instance. I am glad to find that he has agreed that the excise duty is inequitable and should be abolished. I do not want to labour this point which has been admitted. I will only put to the Honourable Member whether India is not a part of the world and if India is a part of the world, Calcutta is a part of India. Is the same condition prevailing in other industries there like jute and tea which are making hundreds of per cent. profit, while we are making a loss on the textile industry ? The textile industry has been forced to take this step very unwillingly as has been pointed out by the previous speaker.

Then, I come to prices of cloth. I think the Honourable Member referred to different countries. But those countries depend for their prosperity on exports of their manufactured products. There is a difference between countries which manufacture for export and those which manufacture to supply hardly a portion of their home demand. India is admittedly an agricultural country and we manufacture only a fraction of the cloth consumed in this country. Our industry is still in an infant stage, in spite of its 50 years' struggle. It is the only industry of which India is proud : it is in the hands of Indians. In spite of opposition of Manchester very early and in spite ofan unsympathetic Government, it has survived owing to the accident of the big war which prevailed for some years and which ended in 1918. The prosperity that the textile industry in India has experienced is owing to an accident andnot the result of a sympathetic treatment from the Government of this country. When we speak about world conditions, one more point has to be remembered. We must remember that those other countries referred to import their raw materials from us, manufacture them and send out the goods to us and other countries. If Japan is flourishing, why should not India under our Benign Government ? Over and above supplying their own requirements Japan is able to supply other countries in the East. As regards India, what are the conditions ? I will only refer to the statistics from 1st April, 1924, to 31st March, 1925, regarding the amount of cloth imported into India and the amount manufactured in this country. In those twelve months India imported Rs. 72,66,00,000, and the value of cloths manufactured in India during those twelve months was only Rs. 52,96,00,000. From this, Sir, the House will realise that this country is importing far more than she produces. Is it unreasonable and unjustifiable for any country to aspire to manufacture for her own requirements—leave aside the question of exporting to foreign countries—to manufacture for her own requirements from the raw products produced in her own soil ? Certainly it is no credit to the Government of this country or to this country that our raw products should be taken away by a foreign country like Japan, manufactured and brought back to our own country. It is said that the management is not conducted on sound lines in this country. Sir, I can produce before the House figures to show that it is not a question of bad management, but it is a question of self-government. They carry away our cotton, pay freight to and fro, bring the goods here in a manufactured condition and sell cheaper here. They cannot argue that Indians are not able to manage. Indians have proved their ability in countries like Africa where they compete with other people. If Indians are able to compete in foreign countries, why are they not able to compete in India ? I think Indian management cannot be blamed in this respect.

Then, Sir, the Honourable Member advised short time working, because it was a condition of over-production. But is it over-production ? I have just now pointed out to the House that this country is not producing even as much as it wants. The question of over-production cannot come in such a case. Why should our mills then work short time ? I will point out to the House what is done by other countries for capturing the world markets. The last war was a war for capturing the world markets. Even at a loss attempts are made by merchants to keep a hold on markets once captured. What is Lancashire doing now ?

They are maintaining their hold on this market even at a loss. They do not do so for any philanthropic reasons or to supply cheaper cloth for Indians. They do so to keep their hold on this market. Therefore I hold that it is not a case of over-production and short time working will not do. If we go short time the foreign goods will replace our goods. As the House has seen even the requirements of this country are not met by the manufactures of our mills. Would they like the millowners to be placed in such a position that foreign people can capture their home market, leave aside the foreign markets that we will be able to capture. Let us be satisfied with our own market. Let us have protection. Now, Sir, Japan, England and the United States are the three countries which have gone short time. But those are countries which are not importing their cloth. Have you ever seen Lancashire and United States and Japan importing cloth from other countries? And what has Japan done. . . . .

MR. V. A. GRANTHAM: What is the percentage?

MR. LALJI NARANJI: It is 50 per cent. It may be a few things here and a few things there which England cannot manufacture owing to certain difficulties in the way of raw products. England's raw products are mainly iron and coal, and therefore she has got her shipping and engineering industry. Of course by dint of her knowledge and perseverance, she has won a pre-eminent place in that industry, but I am only speaking of the textile industry, and I would say that no country would allow imports of textile goods into its territories if such country has got raw products like cotton in sufficient quantities. It is also an argument of Government that Japan has not a tariff wall but that the duty is only 5 or 7 per cent. But it has been ably pointed out in several articles in the *Bombay Chronicle* by quotations of the tariff rules of Japan and therein it was pointed out that the Japanese tariff is such that at any time the Japanese Government can put the duty up even to 100 per cent. the price of goods. It is this clause in their tariff which helps the Japanese to protect themselves against foreign competition. On the face of it it appears that the tariff is only five or seven per cent. What did America do? What did England herself do when cloth was imported into England from India? The House can see the able minute of Pandit Madana Mohan Malaviya in the Industrial Commission Report of 1916 wherein he has pointed out that England had levied 80 per cent. duty in order not to allow Indian cloth to be imported into England but nowadays India has been obliged to import cloth from England. Why? Because India is disabled for several reasons to which I will now refer. The several reasons are that India is exposed to foreign and very unfair competition, such as, with Japanese and foreign competition. I would only say that it is argued by some that Japan buys cotton and has to pay in addition in the form of depreciated exchange, something like Rs. 45 on 100 yens as for 100 yens they used to get Rs. 155 and now they get Rs. 110 they have to pay Rs. 45 more in buying cotton. I believe they forget what is the value of cotton, on the cloth, or the proportion of cotton and other manufacturing charges. It is 60 and 40. I have taken the figure from a prominent mill and I find that on forty lakhs of rupees worth of cotton the cost of manufacturing has been Rs. 22,86,000. The proportion will be 60 and 40. On sixty rupees they have to pay forty-five rupees more at the rate of Rs. 155 for every 100 yens, so they will have to pay 27 rupees more for cloth costing them 100 yens but because they can sell the same cloth at Rs. 110 against Rs. 155 which they had to get on pre-war exchange they get the benefit of Rs. 45. They get thus an advantage of 18 per cent. by their depreciated exchange. My honourable friend has not referred at any length to exchange but that is the chief cause of our troubles. You will find that the advantage enjoyed by all the foreign textile goods is 12½ per cent. Italy and England get 18 to 20 per cent. which Japan enjoys. My honourable friend, the previous speaker has pointed out the unfair advantages which Japan enjoys in the shape of female and child labour. I do not wish to dilate upon it.

Another thing is that the main obstacle to all industries of India is the Government's persistent refusal, in spite of the most respectful and courteous representations, sound warnings and then protests against the policy of not heeding the very courteous request made to them against their exchange and currency policy, about which enough has been said. I would only refer to one point and that is, that I quite appreciate the remarks of the Chairman of the Chamber that there should be unity. I think that India is quite ready to unite with anybody who wants to help India and there is no sort of any other feeling than what my honourable friend desires and we never attribute bad motives in such matters. I think

Bombay can be proud of the best relations prevailing in the commercial community and my honourable friend will be proud to admit that I have always done so except in the matter of exchange and currency where unhappily our Indian friends have differed from the attitude taken up by the European Chamber, but even there I am very glad to point out that even the Bengal Chamber of Commerce have now found their way to agree with the recommendations partially with the policy advocated by the Indian Chamber. Lastly, I hope if the cordial feelings pervade between Indian and European commercial communities, we will redress all our grievances and on behalf of the Indian mercantile community I can assure my honourable friend that Indians are always ready to co-operate provided the other commercial communities see with Indian eyes and satisfy them that what they do is in the entire interest of India. (Hear, hear.) With these words I support the motion for adjournment.

MR. M. R. JAYAKAR (Bombay University): Mr. President, on behalf of the Swaraj Party I rise to support this motion for adjournment. My Party stands midway between Capital and Labour, and it is its endeavour to take each by the hand and to take it to the destined end. I must congratulate my honourable friend, Mr. Bole, on having moved this motion for adjournment. I also thank him for having accepted at my instance an important alteration in the language of the motion which has made it acceptable both to Capital and Labour. I cannot help congratulating also the mill-owners on the restraint and moderation with which their case was put at their meeting in Bombay by the Honourable Member, Mr. Wadia. They have created a very desirable precedent, which, I hope, will be followed in future years, of not deciding on taking steps adverse to the interests of Labour without consulting the representatives thereof. Labour has gained this valuable right and I do hope that, in all future disputes, this right of Labour to be heard before the event will be respected.

I cannot help on this occasion, Sir, looking back six months ago when the leader of the Swaraj Party in the Legislative Assembly, Pundit Motilal Nehru, supported the motion for the rejection of the Excise Duty. At that time it was suggested in many quarters, Sir, that the Swaraj Party had entered into an unholy alliance with capitalists and various ungracious comments were made against that Party as, *e.g.*, of having been bribed by Bombay Capitalists. But the vindication of our conduct has come to-day and it is now clear that a few months ago the Pundit saw more clearly than his critics. The vindication, Sir, is that to-day the Honourable Member, Mr. Bole, who represents Labour in this House, has thought it desirable to bring forward a motion couched in terms which are practically the same as Pundit Motilal Nehru supported a year ago. I, therefore, make the claim, Sir, that in supporting the removal of the Excise Duty then, the Swaraj Party saw more clearly than their fellows, and that the charges against them were ignorant and unfair. In other words, when the Pundit asked the Government of India to remove the Excise Duty, he was actuated as much by his desire to improve the conditions of Labour as by his wish to oblige his capitalist friends, and in this view of the matter I am glad that I am having this opportunity of making our position clear. As for the merits of the motion, let us see what is the position to-day of this industry in the City of Bombay. I do not wish to be in any way hypercritical or ungracious for I recognise that the object of this motion is not to hurl mutual recriminations but to strengthen the hands of the Bombay Government in representing to the Government of India the intensity and unity of feeling in this matter— and I thankfully realise that the speeches so far made have kept up the right spirit of amity and goodwill, and I shall not mar that spirit by any sentiments of hostility or discord but the situation in the City of Bombay is this, that the mill operatives have had their wages cut down by eleven and half per cent. The mill-owners say that they have been driven to this step by the extreme exigencies of the occasion. I have very carefully read the justification for this step offered by my honourable friend, Mr. Wadia, which makes it clear that the mill-owners have been driven to this step by the exigencies of the moment. Well, Sir, I will accept that decision, especially because it proceeds from a person who, I know, has a generous and kind heart. But may I ask my mill-owner friends also to remember that the parties like mine—which stand midway between Labour and Capital—expect, as my honourable friend, Mr. Grantham, said, that all other means should be tried by the mill-owners of practising retrenchment before they bring down the axe upon the wages of the poor ? The public expect that they should be convinced that all such means have been adopted. May I ask, *e.g.*, if the mill-owners have cut down the high earnings of the agents, which critics say, is the best paid profession

in the world ? Have they cut down their earnings ? Have they likewise cut down the earnings of the high-salaried officers employed in the mills ? Did the mill-owners do this before they came down upon the wages of the poor ? I hope there is a satisfactory answer to this question. My party, Sir, are anxious that the mill-owners should justify to the public the step they have taken. As I said before, Sir, I am not saying this in any spirit of querulous hostility, because I want, so far as possible, to respond to the note of amity and goodwill sounded in the previous speeches. This House is anxious, and I join in that anxiety, that we should by this motion help the Bombay Government to represent our wishes to the Government of India. We cannot do this, if we begin to quarrel amongst ourselves. But we have doubts, Sir, whether the mere cutting down of poor men's wages will do away with the effects of over-stocking or of the rapid fall in prices. The over-stocking is twice the normal and the fall in prices since January last is 30 pies per lb. The saving expected by the cut in wages will only cover 3 pies of these 30 pies. It will not therefore go very far, and the over-stocking only represents three months' production as against clearances which are improving. These are questions which are troublesome to the public mind, and I do hope the mill-owners will give a satisfactory answer. But I won't go into these questions more, as I want Labour and Capital both to unite on pressing the present motion. The whole of our claim, Sir, in this behalf is this that we want the Indian Government to behave towards Indian industries exactly as the British Government behave towards their own industries. Put in a nutshell, that is our case. It is our misfortune that the British Government is, and will remain for some time to come, alien in personnel. But is it impossible for it, on that account, to become Indian in sentiment ? Though composed of non-Indians, let it learn to take an Indian view of national questions. We realise, Sir, that the best effort of the country ought to be made in this direction, of making the Government of India feel towards the Indian industries as if the Government was entirely national or to put it briefly, as the British Government do feel towards their own industries. Let us, in this connection, recall the telegram which we read three days ago in the papers. This House knows now that England is at present passing through a serious labour crisis in the coal industry much in the same manner as we in India are passing in connection with the cotton industry. How did the Prime Minister deal with it only three days ago ? I am quoting the words of the press-telegram which said that the Prime Minister proposed to deal with this difficulty himself. He proposed to " take it in his own hand." Well, we want the Government of India to take the problem of the Indian industries 'in their own hand.' The British Premier is thinking of giving a subsidy to the workmen. We may not be so fortunate, but is it too much to hope that the Government of India will take up the cause of the Indian industries *in hand* with the same sympathy, interest, and insight which Mr. Baldwin is devoting to the difficulties of the English coal industry at present. I fear I have no time to go as fully as I would have liked into this important subject, because of the limited time at our disposal. But to my mind it is clear that a complete remedy for the present ills of the mill industry dissolves itself into four different measures. The present motion speaks of " immediate " relief. Therefore, it is not permissible, on this occasion, to talk of remedies which would take some time to bring about the results. The " immediate " relief which I suggest the Government of India can and should give at once without waiting for legislation, and which we must insist on with all the strength of public opinion we can create, as my honourable friend, Sir Purshottamdas Thakordas, has suggested to immediately suspend collecting the Cotton Excise Revenue for the rest of this year (hear, hear). What is, after all, the loss ? I think it is about eighty lacs. I am sure it can be very easily met from the unexpected surpluses, which the Government of India will reap for the year. What is this loss of eighty lacs, compared with the ruin and disaster of this important industry, which it will prevent ? Therefore this House must strongly support this plea. I will venture to say, Sir, that the Government of India have no case on the abolition of the Excise Duty, and that their behaviour in this connection has been most perverse. They were defeated on the Resolution in the Assembly asking for its total repeal last year, and the same sentiments of that Legislature were again brought home clearly to the Government in the rejection last March of the grant asked for the purpose of collecting this revenue. It is not a cry confined to the Swarajists only, but the entire country is at one on this point. The *pros* and *cons* have been most carefully reasoned out, *inter alia*, in a well considered memorial sent up by the Millowners' Association. But the attitude of the Government of India is adamantine, and is daily causing deep feelings of resentment and desperation. I am sure my honourable

friend, Mr. Wadia, will bear me out when I say that a very modest and carefully considered case was presented by his colleagues, pointing out the disadvantages caused by the imposition of the Excise Duty. Still the Government of India do not wish to move. I am, of course glad, Sir, that this perversity of the Government has not been without its effect on the public, and that Labour and Capital now see clearly that the remedy lies in uniting to ask for this urgent relief. The present motion and the tone of the debate ought to be a clear indication of this to the Government of India. I am anxious, Sir, that, whatever the fate of this motion may be, the Government of Bombay should espouse our cause in this matter and that the Honourable the Leader of this House should sympathetically accept this motion and, so far as a subordinate Government can make a forcible recommendation to the Government of India—I am not unaware of the responsibility of the Government of Bombay in this behalf as a Subordinate Branch of Administration—the Government of Bombay should convey to the Government of India a clear indication of the opinion and feelings of this House, which are only a reflection of those outside the Council. I hope the Government of Bombay will add their own recommendations favouring our case. May I say, Sir, that this House wishes to strengthen the hands of the Bombay Government in conveying to the Government of India a true picture of the public opinion—the intensity of the resentment and despair that their action is causing. We feel, Sir, that the only way to stop immediately the disasters from which the mill-hands and the capitalists have been both suffering, is to suspend the duty for the rest of the year. But I feel, Sir, that the remedies do not stop there. Without taking much time, let me say that the problem will be far from being solved by the suspension of the Excise Duty only. I do not agree, in this behalf, with the remarks of the two Honourable Members, who spoke as representatives of the mill-owners. I think no real cure will come until we simultaneously proceed in other directions, *viz.*, the reversal of the currency and exchange policy of the Government of India, and the passing of favourable legislation giving the same relief, protection, and facilities to this industry that, *e.g.*, Japan is giving to its own. I have no time to go into the technical aspects of the currency and exchange policy of the Government of India. I may do so elsewhere. But I feel, Sir, that the best way out of this situation is for Labour and Capital to unite on all these points, and compel the necessary action on the part of the Government of India, in all the directions I have referred to above. It is of vital importance that Labour should see eye to eye with Capital on these essential questions, and in all endeavours to do so I assure them both that my party will be happy to act as an intermediary interpreting the claims and aspirations of the one to the other.

MR. N. N. WADIA (Bombay Millowners' Association): Sir, I wish it had fallen to the lot of another Chairman of the Bombay Millowners' Association than myself to have had to preside over the general meeting of the Association last Monday, the 28th July, and put before the meeting the proposal for a reduction of the wages of the millhands, but having to do so had caused me considerable amount of anxiety. The Millowners' Committee had been considering the position for the last 7 months week by week and the fact that it was only after some 5 months that they had decided to recommend a cut of wages shows that they had taken no hasty step at all, and the position was only forced upon them owing to the gravity of the situation as put before this House by my honourable friend Mr. Bole.

The Honourable Member Mr. Grantham had put forward the argument of world-wide depression which causes the mill industry to be in this grave condition. Sir, if this is his argument, I should like to ask the Honourable Member why are the Japanese mills working 22 hours a day. If it is world-wide over-stocking of goods, and consequent depression, then surely that would affect the Japanese mills just as much as the Indian mills. From the figures that we had put before the Honourable Sir Basil Blackett, the Finance Member of the Government of India, at the interview we had with him, I showed that while in India in 1910 there were 6,200,000 spindles, in 1924 there were 8,300,000 spindles or an increase of roughly 33 per cent. while in Japan, the spindles had increased from 2,100,000 to 4,900,000 or nearly 2½ times. The same way in looms, in India in 1910 there were 82,000 looms and in 1924, 151,000 or an increase of about 70 per cent. while in Japan the looms had increased from 17,700 in 1920 to 64,400 in 1924, or nearly 4 times., The result was, with their double shift working, the Japanese production of yarn had increased in the last 14 years by 5 times and in cloth by 8 times, and their production in yarn was considerably more than what Indian mills could produce with their 10 hours working, and in cloth nearly about the same as the

Indian mills production, owing to their double-shift working. Therefore, Sir, this Honourable House will recognise at once that the argument used by my honourable friend Mr. Grantham cannot be substantiated by him. If there is world-wide depression, surely the Japanese ought to feel it just as much as we do in India. The very fact that they are working 22 hours a day with 2 shifts disposes of his argument of world-wide depression.

Sir, the Millowners' Association met Sir Basil Blackett on the 2nd of July and had placed all the facts and figures before him both as regards Bombay and Japan and also before Mr. Chadwick, the Secretary of the Commerce Department, and discussed with the latter the two suggestions that were made to our Association (I want to make it clear here that these suggestions did not emanate from our Association) *viz.*, a duty on all cotton exported to Japan and other countries, and an increased import duty on yarn and cloth coming from Japan to India. With reference to the latter proposal, the Honourable Mr. Chadwick told us that the Government of India could not interfere on account of the fact that it was an international question and under the Commercial Treaty the British Government had with Japan granting the most-favoured-nation clause, they could not put an increased duty on Japanese goods. As regards the question of export duty on cotton, he said that in the opinion of the Government of India it was not feasible at the present moment. I should like the House to remember that if the British Government had granted Japan the most-favoured-nation clause in the Commercial Treaty, then surely Australia would be included in such a treaty. I will put before the Honourable House an extract from the *Indian Trade Journal* published as recently as 23rd July, 1925, in which it was reported that " according to the *Board of Trade Journal*, a proclamation dated 25th March, 1925, issued under Section 8 of the Customs Tariff (Industrial Preservation) Act, a revised schedule has been published levying special duties on goods imported from Japan, where owing to depreciated currency of that country, the goods are being imported into Australia to the detriment of the Australian industries." If, therefore, Australia can levy such increased duty on Japan owing to their depreciated exchange, surely it ought to be possible for the Government of India to levy similarly increased duty on Japanese imports into this country. I do not understand therefore what prevents the Government of India from levying a similar special duty on Japanese goods here.

The Honourable Member Mr. Grantham has mentioned that in his opinion short time would have been preferable to the cut in wages proposed by the Millowners. Sir, I would ask him which would cause less harm to our millhands? Whether the proposed cut in wages or one day's short time. It is clear that while the millhands will only lose 11½ per cent. by the proposed cut, they would lose 16.⅔ per cent. by one day's short time from their wages, and he has also forgotten the fact that owing to short time working our costs would go up by ⅝th of an anna per lb. which would make it impossible for us to meet the market and get our heavy stocks disposed of. The Millowners therefore after fully weighing the pros and cons of the question had decided on the cut in the interests of the industry and the millhands as a whole.

The Honourable Member Mr. Grantham has raised another question, *viz.*, why are the Bombay mills kicking up all this fuss about Japanese competition while the mills in Ahmedabad, Cawnpore and other up-country mills, specially those situated in the Native States, are not crying out? The answer to that is clear. These mills are situated in the cotton districts and they have the cloth market on the spot, and therefore they save double freight, while the Japanese have to pay freight on goods sent up-country, and this advantage of saving of double freight enables them to carry on, while the Bombay mills cannot do so at present on account of the Japanese competition. I do not think this House and the Honourable Member Mr. Grantham realise that the tendency at present is for more mills to be built in Indian States and not in the districts of British India for the simple reason that a protective duty exists in those States. I am credibly informed that the Indore State has levied a duty on goods imported from the British territory of about 8 per cent. in order to protect the State industry.

My honourable friend Mr. Grantham has said that he would prefer the remission of provincial contributions to excise duty. Sir, these two questions ought not to be mixed up. They are entirely distinct and separate, and as the Honourable Member Mr. Lalji Naranji

has just made it clear to the House, in no country in the world there is an excise duty of the nature levied in British India. Why therefore should it exist in this country? In the words of the leader of the Swaraj Party, Pandit Motilal Nehru, the excise duty if it is a wrong cannot be measured in percentages or in the sum lost to the industry. It is a wrong committed and therefore the sooner the British Government who boast of justice take steps to abolish it, the better for all concerned, and for their own honour.

There are two points raised by the Honourable Member, the leader of the Swaraj Party here, that in view of the fact that the Millowners have decided to cut the wages of millhands, are they prepared to make a similar cut in the remuneration paid to Managing Agents and to the superior staff of the mills. Except in case of about 10 mills in Bombay, I understand, the bulk of the Mill Agents get their remuneration from the mills on the basis of commission on net profits of the mills. So, if there is very little profit, or no profits from the mills as at the present moment, the Mill Agents would automatically receive only very little or no remuneration at all. As regards reduction of wages of the superior staff, I would ask the Honourable House to remember that the wages of the superior staff had not been increased during all these years to the same extent as the wages of millhands. While the millhand's wages had been more than doubled in the past 11 years, the superior staff had not got more than 40 to 50 per cent. increase, and at the present moment, they find great difficulty in making their ends meet, specially the poorly paid clerks. The Millowners have decided after very great consideration that at present they cannot ask the staff of their mills to accept a cut in their wages in all fairness. If my honourable friend the leader of the Swaraj Party, was referring to the Lancashire men employed in our superior staff, I may tell him for his information that there are hardly 300 to 400 such men employed in all the Bombay mills, and they are getting only about 40 per cent. more than what they were getting in 1914. The bulk of the masters, jobbers and clerks employed in the Bombay mills are all Indians. If, however, these criticial times continue, then we will have to reconsider the question of the wages of the staff as well. I trust that this statement will satisfy the leader of the Swaraj Party.

Another point I would like the House to remember is that the Government of India counts on getting over 2 crores of rupees in the shape of excise duty from all the mills, and from Bombay mills alone, about 130 lakhs. When we met Sir Basil Blackett on the 2nd of July, we put before him the fact that this duty at present costs the mills on an average ¾ anna per lb. of cloth produced as compared with a little over ¼th anna per lb. in 1913-14. The reason for this was that the price of cloth had increased considerably on account of increased pricepaidfor cotton due to world shortage, increased price of stores, coal, increased taxation, very much higher wages, and shorter hours of labour. Due to these causes, localmade shirtings which were sold in 1914 at about 8 to 9 as. per lb. now costs 19 as. per lb. at present prices of cotton. The result was that the Government of India were collecting 2¼ times more duty than in 1914. If these prices, *viz.*, 8 to 9 as. per lb. had remained in force now, then the Government of India would be receiving only about 90 lakhs instead of 210 lakhs which they are getting now. This fact was brought out prominently by us when my friend Mr. Bole and other leaders of millhands met the Committee of our Association.

The Honourable Sir Basil Blackett, the Finance Member, had said last time in the Assembly that if the excise duty was repealed, the extra profits wouldgo into the pockets ofmillowners, but he forgot two things. Sir, the Indian Tariff Act makesit compulsory on mill owners (under Section 10 of that Act) to refund this duty to their merchants, and they would in turn correspondingly reduce the price of goods. Therefore if the excise duty was repealed, it would not go into the pockets of millowners. If the buyers of cloth in India are not able at present to pay a price for the cloth that is sufficient to pay the cost of production *plus* the amount of excise duty while the duty is in existence, then surely they will not pay a price for their cloth equal to the cost of production *plus* the excise duty if the tax is abolished. Neither can they be expected nor will they be made to do so by the millowners of this country. Therefore the millowners will not profit if the excise duty was repealed. If anybody can be said to be " profiteering " in the words of the Finance Member, it is only the Government of India and not the millowners.

Sir, my time is nearly up, and I must not detain the House any longer. I want this Honourable House to remember that the welfare of the Bombay City and the Bombay Presidency depends on the prosperity of this premier industry in India. If this industry thrives, then the Government of Bombay, owing to trade increasing, can find funds to pay their development and other schemes and to dispose off land and if it does not, then the Government of Bombay will find difficulty in carrying on. I therefore appeal to the House who are bound to look after the welfare of this Presidency to pass this resolution which has been proposed by the Honourable Member Mr. Bole.

MR. P. G. JOSHI: Sir, I move a closure.

THE HONOURABLE THE PRESIDENT: Closure has been moved and I take it that it is the intention of the House to vote on this question. In that case instead of accepting the closure I will allow the discussion to proceed, say up to five minutes to six. And then put it to vote. The subject is very important and if the intention was that the subject was to be talked out then I would have considered whether I should accept the closure.

THE HONOURABLE SIR MAURICE HAYWARD: I should like to say at once that it is certainly not our intention to talk this motion out. I wish to say nothing to suggest that. But we have a busy programme and if the House were satisfied with the assurance which will be given in this matter by Government and were prepared in view of that assurance not to press the motion formally to a division—which would mean rising at six and not working for the remaining hour—if there be any general objection I would not press it but if it were possible to arrange for us to work for that hour from 6 to 7—we are taking a holiday on Monday— if the House could give us that extra hour, then it would be very acceptable to Government.

THE HONOURABLE THE PRESIDENT: I can make a suggestion which will meet the point of view which the Honourable Leader of the House has put forward if the House is prepared to sit till seven. The subject is of such great importance that I think it should be put to the vote to ascertain the feeling of the House in the matter.

After the vote is taken and if the motion is carried the House would adjourn but I can call it again five minutes later. I am sure the Honourable the Leader of the House will agree that that is the best way to meet with his wishes. On a subject like this the House should I think declare its decision by vote.

THE HONOURABLE SIR MAURICE HAYWARD: I am entirely agreeable to the suggestion made by you, Sir.

THE HONOURABLE MR. H. S. LAWRENCE: Mr. President, this debate necessarily places the Government of Bombay in a somewhat difficult position. There are three parties concerned in this discussion: mill-owners, labour and the Government of India and the Government of Bombay is a friend and ally of all the three. The last thing that the Bombay Government wish to do is to say anything or take any action which may seem to reflect unfavourably on the attitude of anyone of these three parties. If I dared to use a well-known metaphor I would say that anybody who intervenes in a dog-fight is bound to be bitten; but that metaphor is barred, so, I will substitute that any one who enters an arena where three lions are fighting is bound to get mauled. (Laughter.) I think the House may congratulate itself on the high level on which the debate has been carried on by the previous speakers. There has of course been some vigour and bitterness in the speeches and it is impossible apparently to get any reference to Exchange without some acidity of speech.

Two Honourable Members have in fact attributed a large part of the difficulties of the mill industry to the exchange and currency policy of the Government of India. It is a remarkable fact that in the memorial addressed to the Viceroy in last March by the Mill-owners' Association they did not attribute any part of their trouble to the currency policy of the Government of India. Further, Sir, I may remind the House that when the currency and exchange policy is discussed in any country in the world, and it is a burning issue everywhere just now, it is habitual to use vigorous language. But that vigorous language is limited to

ascribing to the opponents the absolute limit of human stupidity; it does not go so far as to attribute sinister motives, and that is the unfortunate feature of the discussions that take place in Bombay on currency questions, the attribution of sinister motives.

MR. LALJI NARANJI: (Made an observation which was inaudible.)

THE HONOURABLE MR. H. S. LAWRENCE: One Honourable Member seems to find that remark go home. (Laughter.) Now, Sir, I would ask Honourable Members to consider this question from the business point of view. That, apparently, is the last point of view that appeals to the representative of the Indian Merchants' Chamber. But from the business point of view, if you have a very urgent and difficult question to discuss, is it worth while to start by calling your partners in the discussion bad names? It has been suggested that this cotton excise duty is "morally indefensible." Now, I hold no brief for the cotton excise duty but that particular phrase 'morally indefensible' is a picturesque phrase for political platforms, but it is not a phrase to be used in business conversation. It is actually borrowed from a leader in *The Times*, and the gentlemen who use that phrase have been in the habit of refusing to believe anything that is written in *The Times*, but on this particular occasion they claim that particular phrase as being the absolute acme of human wisdom. The president of this Chamber of Indian Merchants, I see, quoted it the other day, together with a large number of other picturesque and defamatory epithets. Sir, this question was discussed last year in the Legislative Assembly. Two important members of the Government of India, Sir Basil Blackett and Sir Charles Innes, discussed the matter in quiet, deliberate terms, and they pointed out to the House that while these unfortunate epithets have been used at intervals during the last thirty years, circumstances have changed from time to time, and they both maintained that in its present circumstances this duty was defensible. Is it wise to go to authorities who have a potent voice in the discussion saying that this duty is "morally indefensible," immediately after you have heard from them that they have got, in their deliberate judgment, good reasons for defending it? However, that is a question of tactics, and I do not wish to say more on the subject. I rather imagine that the millowners may well pray to be delivered from some of their friends.

The whole question here is one of immense difficulty and complexity, and it seems to me that when we are considering a domestic problem of this character, it is not a bad thing to see how the matter is regarded from a distance. I came across a criticism from Calcutta, and the Calcutta people observed our proceedings in Bombay with the critical eyes of a candid friend. The summary that this Calcutta critic gave of our trouble was that it was due to several causes, and he enumerated the following. Firstly, over-production; secondly, mismanagement in certain mills; thirdly, lack of unity; fourthly, the excise duty; and fifthly, Japanese competition; and it will be noted in some quarters, no doubt with indignation, that this Calcutta critic made no reference to the exchange and currency policy of the Government of India.

Sir, I assume that some Honourable Members here are not more fully informed on the subject than I was a few days ago, and I would like to touch on a few of the points which have especially attracted my attention. In regard to the first point of the Calcutta critic, namely, the question of over-production, before the war imported goods represented 32 hundred million yards and mill production 11 hundred million yards. The latest figures available are imports, 15 hundred million, and mill production, 20 hundred million. You will observe that the imports have fallen by more than one-half and that the mill production has almost doubled. That is, comparing the last figures with the figures of 1913-14. Now, Sir, against an average rate of 9 annas before the war, these mills in March last were selling their stuff at an average of 22 annas a lb. It has now fallen to 18 annas a lb. The price of cotton represents 60 per cent. of the price of piece-goods. Therefore, the ryot who grows cotton is getting double his former returns, say, 11 annas as against 5 annas; and the cost of manufacture is 7 annas against 4. The point that the millowners have to explain, if they are put the question is, why can the mills not work at a profit on this margin? These figures suggest that they have a margin now of 7 annas on 2,000 million yards, whereas formerly they had a margin of 4 annas on 11 hundred million yards, that is to say, in round figures, 20 crores margin against 7. There is a very large margin there to meet many of their expenses.

MR. LALJI NARANJI: Where have the figures been obtained from ?

THE HONOURABLE MR. H.S. LAWRENCE: These are figures taken from the documents published by the Millowners' Association, last March. I merely suggest that the millowners do not appear to have put forward their case yet with all the strength of detail which they no doubt can do. An industry which disposes of such vast sums should have at its command the most complete organisation; and should be able to supply definite proof on all points affecting their industry. But it is very remarkable that in the recent discussions in the public Press, statements are made and are immediately refuted on matters which should be beyond the possibility of question. I refer in particular to this question of Japanese competition. As an illustration, one view put forward is that Japan, with its market protected by high duties, can dump its surplus products in India, and further that their trade is assisted in the matter of freight by Government control of shipping. But these allegations when made are promptly denied, and the Millowners' Association does not appear to be in a position to prove its case. This industry has commanded profits actually greater than the whole revenue of the Bombay Government in recent years, and it is certainly incumbent on them to make these simple facts perfectly clear to the public, when they ask for the sympathy of the public.

In regard to the Excise Duty, the Finance Member stated in the debate last March in the Legislative Assembly that:—

" The Cotton Excise Duty is a tax for the history of which I have not a word to say. It was, I think, bad in its origin, bad in its incidence when first imposed, and when the Taxation Committee comes to enquire into it now I think it will very likely say that it is a tax which even now is not altogether desirable in its operation. . . . I should never be averse to being the Finance Member in whose period this historic wrong was righted"; and the only question is how soon he can redeem this pledge. The Excise Duty amounted to 56 lakhs 10 years ago and has now risen to over 2 crores under the combined effect of increase in production and increase in the cost of goods. The abolition of the duty will not put the mills on their feet ; it would only be a palliative: a reduction of a part of their losses.

So also in regard to the wages of labour. If a cut of 11½ per cent. is made in Bombay this may represent 70 lakhs or a little more than 1 per cent. of the value of the total outturn of cloth. This is again a very minor palliative of the evil.

Finally we come to the thorny subject of Japanese competition. Before the war they had some 2½ million spindles and 25,000 looms. Now Japan has over 4¾ million spindles and about 65,000 looms, an increase of nearly 100 per cent. in spindles and over 150 per cent. in looms. Their imports into India rose from 20 lakhs in value in 1913-14 to 4.2 crores in 1922-23 and this year are about 6 crores. But the important point is not the amount of their imports up to date but their power to increase their imports suddenly. Whereas ten years ago their spindles were 35 per cent. of Indian spindles and their looms 25 per cent. of Indian looms, they have now drawn up nearly to 60 per cent. in spindles and over 40 per cent. in looms. Further, we are told that they work double shifts and impose conditions upon their labour which are contrary to the Geneva Convention. It is alleged that by this means they are able to undersell our mills and that there is a serious danger that at any time they may pour into India immense quantities of yarn and piece-goods.

Now, Sir, the problem before this House is to decide in what directions lies the true interest of India. I refer particularly to this question of the dumping of Japanese goods. The question is should we welcome these imports as a boon and a benefit or should we urge that they must be regarded with disfavour as an injury. Well, either view is possible, and it is for this House to give its advice. If the House prefers the protection of Indian industry then there arises the complication of commercial treaties. No differentiation in import duties can be exercised against Japan, for Japan has by treaty the right to enter on the same terms as any nation outside the British Empire. On that point the Honourable Member Mr. Wadia has just produced a very important telegram regarding the action of Australia. That is a point I submit that ought to have been in the possession of the millowners immediately that the action was taken and that ought to have been placed before the Government of India and not brought forward to-day.

MR. N. N. WADIA: It was in the *Indian Trade Journal* of the 23rd July.

THE HONOURABLE MR. H. S. LAWRENCE: It must have been known in Australia before. Now, this argument leads us directly to the problem of Imperial preference. It is possible without prejudice to any commercial treaty to levy higher rates of import duty against all nations outside the British Empire. In that case the rates could be so adjusted as to give protection to our mills against this Japanese competition. In regard to the imports from England, the Millowners' Association in their memorial to the Viceroy on the 17th March last advanced the argument that there was no competition whatever between the cloth manufactured in Lancashire and the cloth manufactured in Indian mills. Therefore, if Imperial preference was introduced on this one article it could be applied to English piece-goods only. The preference need not be extended to the Colonies or Dominions; and the restrictive effect of higher duties would give protection against Japan or other competitors outside the Empire. Members of this House in forming a conclusion on this subject of Imperial preference will no doubt bear in mind the discussion of this question by the Indian Fiscal Commission, and in particular the views expressed by you, Sir, the chairman, and the Indian members who signed the minute of dissent. They recommended Imperial preference provided that the decision in regard to every article rested with the non-official members of the Legislative Assembly. The very able presentation of the arguments for and against Imperial preference contained in that report deserves the close study of every member of this House. Is this House prepared to take the responsibility of making that proposal? Imperial preference has not been popular amongst certain sections of public opinion in this country, but within the last few years we have seen a very considerable change of opinion on certain matters of policy, and it is possible that this matter may now be debated in a more favourable atmosphere. It is not for this Government to offer any opinion upon it, but I just put the problem for the consideration of this House.

Now, Sir, to sum up, it is clear that this matter is beset with complexities and that many factors are still in doubt. The sympathies of the House can be offered equally to the labour party and to the millowners, and I hope it will not be withheld from the Government. A course open to the millowners is to ask for an enquiry by the Tariff Board. That enquiry was offered to them in September last in the Legislative Assembly by the Commerce Member. It is equally open for the advocates of labour to apply to the Government of India for this enquiry by the Tariff Board. That is a point that has not been realised by the advocates of labour. It is no doubt true that the cotton industry does not come strictly within the conditions contemplated in February 1923, when the Tariff Board resolution was passed by the Legislative Assembly. But since that date there have been various changes under the new regulations of the Board of Trade in England issued only in February last, and this industry does come strictly within the conditions laid down in the command paper of February last. There is no doubt that the scope of the Tariff Board enquiry would be extended on those lines if it were so desired by the Indian Legislative Assembly.

Sir, I will conclude at that. I have many other things to say, but I will spare the time of the House.

MR. G. I. PATEL (Ahmedabad Millowners' Association): Sir, I rise to support the motion on behalf of the Ahmedabad Millowners' Association. I would like to deal with two or three points that have been raised by the Honourable Member Mr. Grantham and the Honourable Mr. Lawrence. The first point was that of over-production, and it was raised by the Honourable Member Mr. Grantham. I will simply quote one sentence which has been written by an Indian economist and that is a sufficient reply to Mr. Grantham:—

> "Time was when, as one of the European travellers of the early 17th century observed, 'there was not a man, woman or child from the Cape of Good Hope to the eastern most islands of Japan who was not clad from head to foot in the products of the Indian looms.' India had for thousands of years a complete monopoly of the world's markets of the cotton manufactures, thanks to her skill from days immemorial in the spinning of yarn and weaving of the richest and lightest and most fanciful fabrics. To-day that position is a dream of the past, the vanished past, which the children of India remember only to their shame and humiliation. For to-day the products of Indian looms do not get a chance of supplying the markets even of India herself."

This is the actual record published in books written by European travellers. May I ask the Honourable Member now to consider what the latest figures show? India imported three years back 60 crores worth of cloth, then in the next year it imported 70 crores worth of cloth, and the latest figures that I have got, show that it imported 83 crores worth of cloth during the year ending March last. The indigenous mills, on the other hand, produced only 60 or 59 crores worth of cloth in the last year. So, in order to supply the home demand alone the indigenous industry can still double its looms and spindles and yet leave a margin for foreign imports. May I ask the Honourable Member whether this is sufficient proof of over-production or a valid proof for the extension of that *Premier Industry* in order to make it the *biggest* industry next only to that of England?

Now, I will take up the point raised by the Honourable Mr. Lawrence, namely, *Exchange*. This is a technical subject, and I will give Honourable Members only one simple example. Exchange to-day is 1*s.* 6*d.* and it has been maintained at that level for the last six months. It means that for importing goods worth £ 100 you are required to pay not Rs. 1,500 but roughly Rs. 1,300. That is you gain Rs. 200 in making payment of Rs. 1,500 in importing foreign stuff. That means a protection of some 13 per cent. for the imported goods against indigenous manufacture. Again, on the other hand we are paying 3½ per cent. on our manufactured goods as excise duty. The margin of 13 per cent. is thus a kind of subsidy to foreign imports given by exchange. I think that is a sufficient reply.

Now in regard to the excise duty, I may draw the Honourable the Finance Member's attention to what certain well-known people, for whom he has great respect, have stated. In 1916 Lord Hardinge himself declared that that duty was unwise and it ought to be abolished. Then the Honourable Sir Malcolm Hailey declared in or about 1920-21 that this duty should go. Then, Sir Basil Blackett in September last in the Legislative Assembly also admitted that the duty was wrong and even Sir Charles Innes, the Commerce Member, also admitted that it was wrong in principle and it ought to be abolished at an early date. Further, in 1925 at Bombay Dinner in London the ex-Governor of this very Presidency, Sir George Lloyd, said: " I have always felt that the imposition of the excise duty on cotton goods intended originally to countervail the duty on Lancashire cloth was a mistake." Then, Sir Manekji Dadabhoy in addressing the Manchester Chamber of Commerce recently expressed the same opinion and lastly, Sir Frank Nelson, who was the Chairman of the Bombay Chamber of Commerce, said in Parliament the same thing. These gentlemen's opinions are more than sufficient, Sir, to contradict him.

MR. S. K. BOLE: Sir, I am a layman, not a business man, and have spent my life in social work, but I know that if a similar state of affairs had existed in England, the Government of England would not have sat silent, but would have gone so far as to throw away their philosophic policy of free trade. As regards the excise duty, I may tell you, Sir, that no country in the world imposes a duty like that on production. As regards the suggestion made by the Honourable Mr. Lawrence, I may tell him that his argument does not apply because the mill industry is not a nascent industry. Then, as regards our co-operation with Capital, I may tell this Honourable House that we have tried to associate ourselves with Capital in respect of the excise duty, and for the removal of that duty we have approached the Government of India and the Government of Bombay by submitting to them a resolution. With these words I commend my motion for adjournment to the unanimous acceptance of the House.

THE HONOURABLE SIR MAURICE HAYWARD: Mr. President, I am sure I cannot be charged with making a supererogatory remark in complimenting once more both sides of the House on the very high level of debate which has been observed in the discussion this afternoon. The speakers on both sides have devoted themselves to the essence of the matter in hand and have made a real effort to find means to meet the serious situation with which we are at present faced. I think, Sir, that this debate has been not only extremely useful for the immediate purpose for which it was originated but it has been useful also as affording a marvellous indication of the real power and sense of responsibility which is inherent in this Honourable House. (Hear, hear.)

I sympathise entirely with this motion. We are, Sir, face to face with a crisis of a most serious nature in a great industry which is the mainstay not only of the city of Bombay but, Sir, I think I may say, of the Bombay Presidency. I think, Sir, that the sense of unity between Capital and Labour displayed in this matter this afternoon is a happy augury of our being able to find a satisfactory way out of the present difficulty and a means of restoring the prosperity of that great industry. The capitalists, Sir, have shown they have at heart the welfare of their operatives. We find not only a representative in this House whose deeds have demonstrated beyond dispute this remark; but we know also, Sir, that there are other capitalist millowners outside this House who have consistently done their utmost for the welfare of their labourers. The care for the welfare of the labourers has also continuously been the anxious thought of the Bombay Government. We desire, Sir, to do all we can to mitigate in every possible way the difficulties under which the labourers live in the great city of Bombay. But we have at heart not only the interests of the labourers but we have also at heart the interests of the capitalists who have invested in this great industry so much of their savings and wealth. It will be our duty, Sir, to represent these views of the Bombay Government in forwarding to-day's proceedings to the Government of India.

The commercial questions here debated are not, Sir, for me to enter into in detail, for one thing for lack of experience and for another because they have been better dealt with by several previous speakers but more especially because they are not within the immediate sphere of the duties of the Local Government. But, Sir, we will forward as early as we possibly can a full report of the debate which has taken place this afternoon in this House and we will move for the sympathetic and urgent treatment of this great crisis which is before us, the Presidency and the Bombay Government, and press that the representation involved in this motion shall receive the immediate and urgent consideration of the Government of India. (Applause.)

Question put :—

> " That in view of the grave situation in which the Bombay Cotton Textile Industry finds itself and the possible effect of the decision of the Millowners' Association to reduce wages of their workers which will affect a lakh and fifty thousand operatives of Bombay and their families and also the effect of this situation on the welfare of the Presidency as a whole, this Council earnestly requests His Excellency the Governor in Council to be pleased to place the gravity of the situation before His Excellency the Governor-General in Council urging him to take such steps as would bring about immediate relief to the mill industry and the operatives working therein, and that the House do now adjourn."

and carried unanimously.

The House then adjourned till five minutes past six o'clock.

APPENDIX 15 (G).

DEPUTATION TO THE VICEROY.

Deputation to His Excellency the Viceroy, from the Bombay and Ahmedabad Millowners' Association—Monday, 24th August, 1925.

MR. N. N. WADIA'S SPEECH.

YOUR EXCELLENCY,—On the 17th March last, the members of the Bombay and Ahmedabad Millowners' Associations whom we represent submitted to Your Excellency in Council a joint Memorial recording the difficult times through which the mill industry was then passing, and requesting Your Excellency in Council to take into consideration at once the

question of the repeal of the Cotton Excise Duty. Although five months have elapsed since that Memorial was presented to Your Excellency in Council, no reply, beyond a bare acknowledgment of the receipt of the Memorial has been received by your Memorialists.

Your Memorialists therefore requested Your Excellency to receive a deputation so that your Memorialists might be afforded an opportunity of placing before Your Excellency personally the present grave position of the textile industry in the Bombay Presidency, and we desire to thank Your Excellency on behalf of the two Associations which we represent for having so promptly acceded to that request.

In our Memorial we have traced at length the history of the imposition of the Cotton Excise Duty and have referred to the solemn pledges given from time to time by Government to repeal the duty as soon as financial conditions permit.

We had also reminded Your Excellency in Council that the Indian Fiscal Commission submitted their report in which they stated that " the existing Excise Duty should in view of its past history and associations be unreservedly condemned, and the Government of India should frankly express their desire to clean the slate." In September 1924, the Legislative Assembly passed a resolution urging the abolition of the Cotton Excise Duty and in the course of that debate the Hon'ble the Commerce Member said that there was no Britisher in India who did not regret that this tax was ever put on, and the Hon'ble the Finance Member added " I should not be averse to being the Finance Member in whose period this historic wrong was righted." When the Government of India failed to give effect to this resolution, the non-official members of the Legislative Assembly reiterated in the last Delhi session their decision to take off this duty by refusing the grant for collection of this duty.

In our Memorial we further pointed out that there was no competition to speak of between goods manufactured by Lancashire and those produced by the Indian mills. We further pointed out that the Indian mill industry was passing through almost unprecedented depression, stocks were accumulating and margins were dwindling and the recently published balance-sheets of several mills revealed a most dismal outlook.

The position during the last five months has gone from bad to worse. Further stocks have accumulated and most of the Bombay mills are working at a loss and experiencing considerable difficulty in financing their stocks. It is with a view to putting these facts in detail before Your Excellency that we requested Your Excellency to give us an opportunity of meeting you. During the past six months, the Bombay Millowners' Association have had several discussions on this subject with the Hon'ble the Commerce Member, the Hon'ble the Finance Member and the Hon'ble the Secretary of the Commerce Department, who must have apprised the Government of India of the serious position of the mill industry. We do not therefore wish to deal at length to-day with details, but we consider it imperative to bring to Your Excellency's personal notice that on the 31st of July, 1925, the stocks in the Bombay mills were 185,000 bales of cloth and 56,000 bales of yarn aggregating in value in Bombay alone to over 9 crores of rupees. In addition, the mills at Ahmedabad hold stocks of about 60,000 bales of the value of about 3 crores of rupees. The demand for cloth and yarn is still so poor that Bombay millowners have been obliged to seriously consider the necessity of reducing stocks by cheapening the cost of production.

When the Hon'ble the Finance Member met the Millowners' Association on the 2nd July, he was given details of the incidence of this 3½ per cent. Excise Duty on our industry. At present this Excise Duty represents on an average three-fourths of an anna per lb. of cloth as compared with a little over one-quarter of an anna per lb. in 1913. The reason for this is that the prices of cloth have considerably increased owing to the increased price of cotton, coal, stores, increased taxation, higher wages, shorter hours of labour and heavier interest charges. It may interest Your Excellency to know that local-made shirtings which were sold in 1913 at about 8 annas per lb. now cost 18 annas per lb. to produce due to the high price of cotton. The result is that the Government of India are collecting 2¼ times more duty than in 1914 owing to the increase in the price of raw cotton and other charges in the manufacture of cloth. If the prices had remained the same as in 1914, the collection from the Excise Duty would not have been more than 90 lakhs instead of 210 lakhs as now collected

by the Government of India. The injustice of this duty is that the Government of India benefits from the increased cost of production and the levy of import duties on machinery, stores and accessories which up to 1914 were admitted free, a position which it is submitted cannot under any circumstances be described as either equitable or fair. The Excise Duty represents about 8¾ per cent. of the cost of our production, *i.e.*, after omitting cost of the raw material.

We submit that Your Excellency will have little difficulty in appreciating that the Excise Duty as a tax on production is entirely without justification, from every point of view, but particularly so when in effect it constitutes a capital levy owing to the losses the mills are making. We submit therefore that the sooner it is repealed the better for all concerned, and we venture to claim that the present serious position of this industry and the totally unjustifiable nature of the imposition requires that the excise duty be immediately repealed.

In paragraphs 19 and 20 of our Memorial to Your Excellency in Council, we have dealt with the unfair competition from Japan through their not having carried out the Conventions of the Washington Conference of 1919 and not having restricted their hours of labour, and through the employment of women and children at night, and the depreciated exchange. We placed before the Finance Member the fact that between 1910 and 1924, while the spindles in India had increased only by about 30 per cent. and the looms by 70 per cent., in Japan the spindles had increased by 250 per cent. and looms by 400 per cent., the result being that with their double shift working, the production of yarn in Japan had increased in the last fourteen years by five times and that of cloth by eight times. It cannot be contended that this great increase in spindles and looms is due to an increased demand in their own country for their yarn and cloth. A great portion of their production is diverted to India and other markets, and therefore they compete unfairly with the Indian mills not only in India itself but in other markets like China, Zanzibar, Uganda and South Africa, which India previously used to supply. It is this grossly unfair competition to which we draw Your Excellency's special attention.

If, as in England, there had been in India a Safeguarding of Industries Act, we would have approached Your Excellency's Government to safeguard our industry, but unfortunately there is no such Act in India. Your Excellency, anticipating at times unfair competition, the Indian Fiscal Commission in para 131 of their report recommended that Government should consider the advisability of introducing a measure more on the lines of that proposed in the United States whereby power should be taken to impose a duty whenever it is established that dumping is taking place and is injuring or likely to injure an Indian industry. Unfortunately, in spite of this well-known recommendation of the Indian Fiscal Commission, the Government of India have not taken any steps to place such a measure on the Statute Book. If there had been such a measure, we would have asked protection under it. When this matter was discussed by our Association with the Hon'ble Mr. Chadwick, he told us distinctly that under the most-favoured-nation clause in the treaty with Japan, the Government of India at present could not impose any increased duty against Japan. But Your Excellency, we find in the *Indian Trade Journal* dated 23rd July, 1925, that the Australian Government has issued a Proclamation dated 25th March, 1925, under Section 8 of the Customs Tariff (Industrial Preservation) Act publishing a revised schedule levying special duties on goods imported from Japan where owing to the depreciated currency of that country goods were being imported into Australia to the detriment of Australian industries. If therefore Australia can levy such increased duty on Japan owing to their depreciated currency, surely it is possible for the Government of India to make a similar levy on Japanese imports into this country. If the Government of India have not the power at present to do so, then we would respectfully suggest to Your Excellency that Your Excellency's Government should take the necessary power without delay and thereby adopt the recommendation of the Indian Fiscal Commission on the subject.

Your Excellency is no doubt aware that the present serious position of the Indian mill industry and especially in the Bombay Presidency was discussed at length in the Bombay Legislative Council as lately as the 30th July, 1925, and of the result of the debate. We are not aware of the recommendations of the Government of Bombay on this question but we venture to impress upon Your Excellency with all the force at our command that it is the

imperative duty of the Government of India under present conditions to help this great industry which has been established by Indian enterprise and with Indian money, and employs a very large number of workers, and that the first step to be taken should be the repeal of the Excise Duty.

Your Excellency, the Bombay Millowners' Association regret that they have been obliged to reduce the wages of their workmen by 11½ per cent. This will affect nearly 150,000 operatives working in Bombay and their families, and will no doubt cause them some hardship. But this step was only taken after mature deliberations extending over six months, and in order to tide over the present difficulty, and to cause the least possible hardship to the workers. If one day's short time had been resolved upon, the workers would lose 16.2/3 per cent. of their wages. It would have increased the cost of production by 5/8ths of an anna per lb. of cloth and this increased price would render it more difficult for millowners to dispose of the heavy stocks against competition of Japanese goods and goods from other countries. Consequently after mature consideration, the Millowners' Association decided to adopt the course which gave some relief to the industry, and caused the least possible injury to the workers. If the Excise Duty were abolished, millowners could and would reduce their prices by 3/4th anna per lb. which would enable them to reduce stocks. It was proved by the Millowners' Association before the McLeod Committee that Bombay mills had lost Rs. 1,17,00,000 in 1923 and in 1924 the loss will exceed Rs. 2 crores if the usual allowance for depreciation is made.

Your Excellency may no doubt be aware that the British Government in Egypt imposed some years ago a corresponding Excise Duty on cotton goods and maintained the duty so long as that Government continued in power, but the very first step that the Egyptian Government as now constituted took when it came into office was to abolish the Excise Duty as being admittedly a tax for which there was no possible justification.

We therefore pray that Your Excellency may see your way to arrange forthwith for the repeal of this unjustifiable Excise Duty and thereby assist the mill industry to tide over the present difficult situation. Some mills in Bombay have already closed down, others have given notice to close down on the 1st September, and the remaining mills are working with only a portion of their spindles and looms, and unemployment must daily increase unless prompt steps are taken by Government to assist the industry. It is an unfortunate fact, but it is a fact all the same that the millowners are not at present able to help themselves.

Your Excellency, in similar circumstances recently in England in the case of the threatened coal strike, the Prime Minister took the matter in hand and proposed a 10-million subsidy. We do not ask for a subsidy at present, but we do ask Your Excellency to admit our rightful claim and to repeal the Cotton Excise Duty.

We however venture to confidently suggest that Your Excellency will not dispute that, whether or not the finances of the Government of India permit, a tax that is admitted to be wrong should be abolished whatever the effect of abolishing it may be on the finances of that Government, or in other words, that whatever the result, an admitted wrong which is capable of being righted, should, notwithstanding the consequences, be forthwith righted by a Government which purports to govern in accordance with the principles of equity, justice and good conscience, more particularly having regard to the position of the industry against which that wrong is directed.

Your Excellency, we do not desire to dwell here on problems of exchange and currency which affect so many interests, but the adverse effect of high exchange on the industries of this country deserves the serious consideration of Your Excellency's Government.

In conclusion, we may say that the progress, welfare and prosperity of the Bombay Presidency depends to a very large extent upon the prosperity of the mill industry, and if the industry thrives, the Government of Bombay will be able to find enough money to finance their development and other schemes and to dispose of land, and if it does not, the Government of Bombay will find difficulty in carrying on. It will further affect the Govern-

ment of India's revenues in their returns of income-tax and super-tax recovered from the Bombay Presidency in railway freights, posts and telegraphs, duties on stores, etc., and therefore in their own interest and in the interests of our Presidency, we ask the Government of India to assist the industry at this critical time by repealing the Excise Duty which is acknowledged to be an " historic wrong " and thereby restoring " Indian faith in the principles of justice upon which British rule claims and on the whole legitimately claims to be based."

HIS EXCELLENCY THE VICEROY'S REPLY TO THE MILLOWNERS' DEPUTATION.

MR. WADIA AND GENTLEMEN,—When the Millowners' Associations of Bombay and Ahmedabad asked me to receive a deputation, I assented very willingly. It is always a pleasure to me to come into contact with the leading businessmen of India, and I particularly welcomed the opportunity of meeting the representatives of your Associations. For I am well aware that the textile industries of these two centres, after passing through a period of unexampled prosperity, are now in the trough of a wave of depression.

My Government has been kept in the closest possible touch with the position. I notice that you complain that you have received no reply beyond a bare acknowledgment of your memorial of March 17th last. Gentlemen, I have made inquiry and in the result I cannot find legitimate ground for this complaint. You are aware that the subject-matter of that memorial was fully discussed in the Legislature in connection with the Budget of the current year, and that as soon as the session was over Sir Charles Innes proceeded to Bombay and met the Committee of the Bombay Millowners' Association. At that meeting other alternative suggestions for the relief of the industry—admittedly they were of a very tentative character—arose. Those suggestions have been examined. The Commerce Department of my Government has made a very close study of the causes of the present depression in your industry and of the suggestions made in April. I understand that the results of that examination were communicated to the Committee of the Bombay Millowners' Association in June last; and in the beginning of July Mr. Chadwick went to Bombay to meet the Committee. Sir Basil Blackett joined in the discussions, and we have also been in correspondence with the Government of Bombay. I mention these facts because I want you to realise that I and my Government do take a deep interest in what is one of the greatest and certainly is the most typical Indian industry in India. Indeed, we have watched recent developments with great concern. Yesterday I received by letter representations from the All-India Trade Union and Bombay Textile Workers Organisations setting out their view of the proposed reduction in wages and of the existing depression in the industry, and of the causes of the present crisis, which will require careful examination. They also are vitally interested in the prosperity of the industry and the measures taken to relieve it. I am quite sure that you took the step of announcing a reduction of wages with great reluctance and only after satisfying yourselves that it was absolutely necessary. But I feel—as I am sure you do also —deep sympathy with those whose slender means of subsistence are being cut down, and I cannot but admire the spirit in which so far they have received what at best must be to them a painful necessity.

I turn now to your address, and first, gentlemen, I should like to thank you for the moderation with which you have expressed yourselves on a matter which affects you closely and on which I know you feel deeply. But you may rest assured, that your case has lost none of its force because it has been stated in temperate language. It is true that there are statements in your address which I might be tempted to take up. I am tempted, for instance, to make some observations on the theoretical justification for excise duties of which indeed we have had a very recent example from England. But I have decided that it would serve no useful purpose. The Government of India are pledged to abolish the Excise Duty as soon as financial considerations permit. We stand by the letter and spirit of that pledge. The Excise Duty must go, and I do not propose at this stage to occupy time by discussing whether or not it can be theoretically justified.

As the result of my inquiries and the information supplied to me I propose to make a very brief survey of the textile industry both in this country and elsewhere. It is a subject

to which, as I have told you, we have devoted considerable study recently in the Government of India ; but I cannot hope to tell you anything that you do not know already, although it is possible we may shed new light upon some aspects of the situation. You are of course aware that throughout the world the textile industry is experiencing difficulties. I need not remind you that both the English and American industries have been compelled to adopt short time, and from Japan there come loud complaints of the rising cost of living which sooner or later must affect rates of wages. There must be some general cause at work, and I have no doubt myself, gentlemen, that that cause is to be found in the fact that the price of cloth is still out of relation to the prices of other commodities. Take Bombay, for example. I find from the *Labour Gazette* that the index number for the locally-made cloths that are in common use among the labouring classes in Bombay was 198 in June last as compared with 100 in July 1914. The index number for food grains, on the other hand, was only 130. Thus the cost of cloth is still very high and the principal cause is the high price of raw cotton. The American cotton crop still dominates the world. From 1919-20 to 1923-24 the American crop except in one year was consistently short. At the same time, there was a steady growth in the number of spindles in the world and the demand for cotton far exceeded the supply. Last year it is true that there was a good crop, but it was not sufficient to make up for the shortage of the previous years and the price of cotton still remains very high. Much depends on the prospects of this year's crop in America. A fair crop seems assured and there is a possibility of a really good crop. If this possibility becomes a fact, then I hope, gentlemen, that the end of one of your main troubles is in sight. A reduction in your costs of production will mean a lower level of prices for cloth and with the price of cloth reduced, the demand for cloth in India will revive.

But apart from this general cause, you have your own particular problem in India. A gradual change has come over the Indian mill industry. Formerly it was predominantly a spinning industry. Now it is predominantly a weaving industry. During the war and in the post-war period when imports were largely cut off and the price of cloth was very high, the Indian mills installed more and more looms. The result has been a great increase in the production of cloth. I think I am correct in saying that in the years immediately preceding the war the Indian mills produced on an average rather less than 1,200 million yards of cloth a year. In 1924-25 they produced just under 2,000 million yards. Exports have increased but not in the same proportion. The result is that you are now placing in the Indian market some 700 million yards of cloth more than you did in the pre-war years. In other words, the effect of the war and the post-war years was greatly to stimulate the production of cloth in India. Now imports, though they are still far below the pre-war level, are beginning to revive, and I find that last year the total amount of cloth offered for sale in India, inclusive of the estimated production of the handlooms, was very nearly up to the pre-war level. To be exact, our calculations show that before the war, mill production, handloom production and imports amounted to about 4,900 million yards. Last year the corresponding figure was nearly 4500 million yards. Gentlemen, on a conservative estimate the price of cloth is twice as high as it was before the war, yet the Indian market is now being asked to absorb at twice the price very nearly the same quantity of cloth. The Indian mills hold a much greater proportion of this market than they did before the war, and I think you will find in the facts I have given you the explanation of those increasing stocks which are such an embarrassment to you.

Gentlemen, I turn to remedies. I do not propose to refer to the suggestions which arose in April, that an export duty should be imposed on raw cotton or alternatively that the import duties on the lower counts of yarn and the coarser qualities of cloth should be enhanced. These suggestions were fully examined in the letter to which I have already referred and to which no reply has yet been received. I will pass on at once therefore to your principal request, namely, that the Excise Duty should at once be taken off. You tell me that the Excise Duty represents about 9 pies in the cost of a pound of cloth, and I have already indicated my opinion that the costs of production must be brought down before the textile industry can be brought back to a healthy and stable condition. I recognise therefore the force of your appeal. I do not think—nor unless I am much mistaken do you claim—that the abolition of the Cotton Excise Duty is all that is necessary to restore the industry to health. But your plea is that even a reduction of 9 pies per pound in the cost of production will give some relief to the industry. As I have said, I recognise the strength of this plea, and I and my

Government have again considered most carefully whether we could not meet you in this matter. It is with real regret that I have to inform you that we have come to the conclusion that we cannot grant the request. I hardly think indeed that you have realised what the request means. You ask us to take action now in the middle of the financial year, before the year has fully declared itself and before the commitments and the prospects of next year are fully known. You suggest that at a time of this uncertainty the Government should remit a source of revenue which brings us in Rs. 2 crores. It is only in the most exceptional circumstances—exceptional to a degree which it is difficult to envisage—that a Government would be justified in adopting such a course. The time for taking stock of prospects is the time of the preparation of the budget. Then and then only can a proper estimate be made of future prospects of revenue and charges. This decision indicates no lack of sympathy with the industry, no want of will to help it in its difficulties and no lack of desire to see the removal of the Excise Duty. As you have been told again and again, we are pledged to take that Excise Duty off, and we will take it off as soon as financial considerations permit. The decision merely illustrates that prudence which it is incumbent on every Government to exercise in relation to its finances. I am afraid that this decision will be a great disappointment to you. But whatever your immediate feelings of disappointment may be, I am sure that on reflection you will realise that our decision represents the only course which any Government would be bound to take in similar circumstances on the present request.

You next refer to the question of the competition from Japan and you suggest that measures ought at once to be taken to place anti-dumping legislation on the Statute Book. Well, gentlemen, we have examined most carefully this question of competition from Japan. It is certainly growing, though I am bound to say that I think that it is affecting imports from England more than the Indian mills. I am quite willing to believe, however, that the prices at which Japanese goods are being sold depress the prices which you can get for your own cloth, and I confess that I am impressed by what you tell me about the conditions of factory labour in Japan. But you make a definite charge that Japanese goods are being dumped into India, and our difficulty always has been that you have never been able to substantiate this charge by definite facts and figures. You will remember that Mr. Chadwick suggested that these definite facts and figures should be collected when he saw you in Bombay, but so far there has been no response. If you can now supply the necessary evidence, I will undertake to have the question you have raised examined as rapidly as possible. I understand, Mr. Wadia, that you have come armed with the required information, and I suggest that you should utilise the opportunity afforded by your visit to Simla to place that information before the Commerce Department. You will understand, gentlemen, that that is as far as I can go at present. The question of anti-dumping legislation raises wide issues of the most difficult kind. These issues will require the most careful consideration, and I can only say that immediately the facts are presented, I will have the case examined with the utmost possible rapidity.

I have now, gentlemen, dealt with the two principal requests in your address. I have been considering, however, whether there are other directions in which my Government could assist you. One comparatively small matter I may mention is that I have already ordered the tariff valuations for the current year to be revised in view of the fall in prices of piece-goods. The new valuations will be brought into force without any avoidable delay. It has also occurred to me that it would be of advantage if the Government ordered the Tariff Board to enquire into the condition of the mill industry in India for the purpose of determining whether it is in need of protection, and, if so, what modifications are required in our tariff duties whether on imports generally or on imports from particular countries. You will understand, of course, that it would be no part of the Tariff Board's duties to report whether or not the Cotton Excise Duty should be continued. I repeat that that duty will be taken off as soon as financial considerations permit. I have not yet come to a decision regarding the suggested enquiry by the Tariff Board. In the meantime I should like to have your considered opinion on this suggestion.

I am sorry it has not been possible for my Government to accede to your request to abolish the Excise Duty immediately; but I hope that the reply that I have given will show you that we take the greatest possible interest in the conditions of your industry and that we have endeavoured to keep in the closest possible touch with what has been going on.

You may rest assured that we shall continue to keep a careful watch on the situation which must remain a matter of the closest concern to me and my Government and, as you are so well aware, to the Government of Bombay.

APPENDIX 15 (H.)

DEBATES IN THE LEGISLATIVE ASSEMBLY.

Extract from the Debate of the Legislative Assembly on 12th March, 1925.

ABOLITION OF THE COTTON EXCISE DUTY.

MR. PRESIDENT: The question is:—

"That a sum not exceeding Rs. 71,66,000 be granted to the Governor-General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Customs'."

Since which an amendment has been moved:—

"That the provision for Rs. 77,000 for the Cotton Excise Establishment be omitted."

THE HONOURABLE SIR BASIL BLACKETT: Sir, I think it will be for the convenience of the House if I am allowed to rise now and explain what has developed since this discussion was adjourned on last Friday. The House will remember that after spending the whole day in discussion on this motion, it postponed further consideration till to-day in order to give time for consideration of the points which had arisen. Now, it emerged clearly from last Friday's debate that there was complete unanimity on all sides of the House in the view that the only obstacle to the repeal of the cotton excise duty was the question of funds. There was complete unanimity on that point. There was almost complete unanimity that the sum earmarked in the Budget for 1925-26 for the relief of the provinces should not be encroached upon. It was pointed out on behalf of the Government that the motion before the House if carried and accepted involved the non-collection of the cotton excise duty from the 1st April, 1925, and the loss of revenue could only be made good by reducing the sum set aside for the provinces. It was further pointed out that even if the money were really available, it ought logically to be devoted to increasing the relief of the provinces if, in the words of Sir Purshotamdas Thakurdas, the priority of the provincial claim first, second and last is conceded, and that reduction or abolition of the cotton excise duty this year must in any case be at the expense of the provinces hereafter. Several other suggestions were also thrown out in the course of the discussion. Sir Campbell Rhodes urged that the Government should agree to accept the vote of the House on this motion, and, if it were carried, should abolish the cotton excise duty even if it involved encroaching on the fund available this year for the provinces. Pandit Motilal Nehru expressed his readiness to vote for alternative taxation if a suitable alternative could be found. Pandit Madan Mohan Malaviya in moving for the adjournment of the debate expressed his confidence that cuts could be made sufficient to enable the duty to be repealed without diminishing the amount available for the provinces. And finally, Mr. Jinnah made the suggestion that, if the whole duty could not be abolished this year, a beginning might be made as an earnest of the Government's expressed desire to honour to the full both in letter and spirit the pledge given by Lord Hardinge. All these points required and have since received careful and prolonged consideration and re-examination in many cases by the Government of India, who were and are most anxious to give full weight to the views of this House on this very important question and who welcomed the opportunity offered by the adjournment. That opportunity has been used by the Government who have given the most careful and sympathetic study to the whole subject and I have now to explain to the House the conclusions at which they have arrived. A re-examination

of the estimates confirms the Government in their view that there is no legitimate possibility of both maintaining their proposals for provincial relief this year intact and abolishing the cotton excise duty. They cannot budget for a deficit and they are convinced that no important cuts can be made if the budget figures are to remain, as they must, a true estimate of the amount likely to be required for the service of the State for the year 1925-26. For the reasons stated last Friday, the Government are unable to recommend any form of substituted taxation, since this inevitably involves imposing a new tax the proceeds of which will be paid to the millowners. They must also rule out at once any idea of encroachment on the sum earmarked for provincial relief. It is obvious that this latter course is not desired by the House and even if the House were to pass this motion—which I hope it will not—and even if that motion must logically be taken to mean giving priority to the cotton excise duty over the provincial contributions, the Government feel that they would be failing in their duty if they were to consent to deprive the nation-building services of the funds they so badly need in order to repeal a tax, the arguments for whose repeal are at the moment preponderatingly, though not entirely, political. There remains Mr. Jinnah's suggestion that a beginning might be made this year by some reduction, which would necessarily be small, in the duty as an earnest of the Government's good intentions. Now, our recurrent surplus amounts only to 18 lakhs, and it is clear that a recurrent loss of revenue ought not to be financed out of non-recurrent receipts. This is not a proposal to use our non-recurrent surplus this year for some non-recurrent purpose but it is a proposal to use it for a recurrent purpose. Now, even a reduction of ½ per cent. in the duty would cost us, as we estimate, about 30 lakhs and would therefore involve some risk when we come to the Budget for 1926-27. But at first sight the proposal has some obvious attractions. Its adoption would, in the first place, it is claimed, finally dispose of the suspicion that Lancashire or some obstacle other than the lack of funds stands in the way of the practical carrying into effect of those pledges which the Government have once again declared their intention of honouring in the letter and in the spirit. I repeat once more that there is no obstacle other than the lack of funds, but I recognise that there will always be those who demand that a sign be given unto them and who will not be convinced except by ocular demonstration. If a reduction of ½ per cent. this year would really be regarded as ocular demonstration, it would obviously have real political value. It has been suggested also that to make the demonstration convincing the initial reduction ought to be accompanied by a plan for progressive diminution and ultimate extinction within a few years. This clearly involves an unjustifiable speculation as to the Budgets of these years, as well as a mortgage of any future surplus with a definite preference in favour of cotton excise duty over provincial contributions after 1925-26. The Government have had the advantage since last Friday of discussing the whole matter with representatives of the millowners. The Government recognise that the industry is passing through a difficult phase, which they trust may be a temporary one, and they are ready and anxious to give a sympathetic and favourable hearing to the millowners' case and to do all that they can to help the industry in a practical form. But it is abundantly clear—and I think this is not contested by the millowners themselves—that a reduction by half per cent. of the excise duty would not touch the fringe of the problem. I am inclined myself to doubt whether the total abolition of the duty would really get at the heart of the trouble, though it might give some temporary encouragement. We are therefore met once again by the fatal objection that such a reduction of the duty by half per cent. would merely put 30 lakhs a year out of the pocket of the tax-payer—strictly out of the pockets of the provincial tax-payer—into the pockets of individuals without in any way helping the cotton industry to surmount its difficulties. This 30 lakhs a year would cease altogether to be available towards those further reductions of provincial contributions which the Government and the Assembly are anxious to effect and which they have promised to effect at the earliest possible moment. The Bombay Government, which besides favouring the abolition of the cotton excise duty has also represented strongly its claims to relief, would, so far from being helped, see the date of its relief *pro tanto* postponed. And the same is true of the other provinces. The objections from this point of view to a reduction of anything more than half per cent. are obviously even greater. I do not wish to be taken as saying that in all circumstances we must adhere to the strict logic of the position, and that any reduction or abolition of the cotton excise duty must necessarily await the final extinction of the provincial contributions. The decision on that question can be taken in due course when it ceases to be a hypothetical one. But it is, we hold, clearly wrong that we should prejudice that decision this year by recommending a reduction of the cotton excise duty in a way which will do no possible good either to the

cotton mill industry or to India generally. The Government of India's conclusion, therefore, is that, if they were to recommend a reduction of the duty this year, they would be yielding to a political temptation without adequate justification for their action and that the only right course is for them again to recommend to the House and to the country the proposals which they put forward originally after careful consideration in the budget statement—proposals which in existing circumstances are in their opinion those best calculated to serve the true interests of India as a whole.

DIWAN BAHADUR T. RANGACHARIAR: Sir, I regret very much the decision of the Government of India. The Government of India, I am afraid, are lacking in that political insight that they do not even take advantage of peace offerings made on this side of the House. We fully appreciate and recognise the difficulties which beset us, the provinces, in this matter. Sir, I have reluctantly come to the conclusion that I must support this motion for reduction on this head. There are two sacred promises made by the Government of India, one made more than 15 years ago and the other made at the time of the Meston Award. Both the promises have to be fulfilled. The Government of India, I am thankful to say, have recognised the necessity for fulfilling this later promise as regards the provincial contribution, for the necessity there is admittedly greater than in the case of the excise duty. In the case of the excise duty one cannot but admit it is a purely—so far as I am concerned I recognise it and regard it purely as a political matter. It has no economic value, as has been pointed out by Mr. Devaki Prasad Sinha and others. Its disappearance by itself does not benefit the consumer, it is true; it benefits the industry and the industry only. But, Sir, even if it benefited the industry only, it is a benefit to the country. After all, the mill-owners are Indians and if they are helped to stand on their legs, they will develop the industry for the advantage of the country. In that sense I regard it as an advantage to the country itself if they are helped to stand on their own legs. But at the same time the little measure of support which we ask the Government to give in this Budget will not have given them even that advantage. But we want a declaration on the part of the Government of India that they are determined to put an end to this most obnoxious and odious duty, odious in its origin, odious in its original application, mischievous and injurious to the producer. Sir, we want the Government of India to make a start and a clean start with the determination to get rid of it. Even if they had proposed a reduction of half per cent. I should have willingly supported the Government, if it had been coupled with a programme for reduction in future years when surpluses are available. It is only when surpluses are available that we would urge this. It is quite a hypothetical case no doubt, but having regard to the history of the past three years and the capable hands in which the finances of this country are placed, I have no doubt we will have years of surpluses in future by the aid of which we will be able to get rid both of the provincial contributions and also this excise duty. (*A Voice:* " Side by side.") I am afraid the Honourable the Finance Member is again in a pessimistic mood. I do not know why he is so. I am rather inclined to think that the Government of India are deliberately bent upon irritating the people and the people's representatives. Sir, their action to-day in denying us an opportunity to discuss this most important report of the Muddiman Committee, their action in denying to-day this bare justice in the case of the cotton excise duty and various other matters incline me to the view that the Government of India are prepared to irritate the people. Sir, we are prepared to take that irritation. It cannot hereafter be avoided. There must be a conflict and I am afraid the Government of India are leading us into that conflict. Sir, I am prepared to support this motion, and I hope the Government of India will see their way again to see that they do not proceed in this line of action. Let us be prepared to co-operate with each other. Co-operation means recognition of the country's difficulties. Here, the whole country, the whole Indian community without any interest whatever in the question feel one way. Why should the Government of India ignore the sentiments of the people in this matter? I regret the decision of the Government, and I agree to support the motion for reduction.

MR. E. H. ASHWORTH (United Provinces: Nominated Official): Sir, I rise on behalf of my Government, the Government of the United Provinces, to strongly oppose this motion. I oppose it both for other reasons and because the remission of the cotton excise duty is bound not only to jeopardize the remission of provincial contributions now proposed but it is bound to affect the question of further remissions in subsequent years. It is useless for this House to say that it can point out other savings from which the excise duty can be

remitted. The Finance Member says that he cannot discover these other funds or savings, and I am certain that he will not be able to do so even with the aid of the spectacles that this House may wish him to wear.

Sir, I maintain that ever since the Meston Award, remissions of the provincial contributions have been a first charge on the Indian Budget balances. They have been so by the very terms and conditions of that Award. They are still more so by the present condition of the provincial finances. I leave it to others to prove that this is so in respect of other provinces. But I am instructed by my own Government to represent to this House the circumstances of the United Provinces. In 1920 the United Provinces had to incur charges of about 150 lakhs on revising the pay of subordinate establishments. That swallowed up most of the benefit that we were supposed to gain from the Meston Settlement: and it was not taken into account in fixing the contribution of the provinces. For a variety of reasons, mostly due to the aftermath of the war, the revenues of the United Provinces fell below the Meston estimate, and this swallowed up the small balance of benefit left. Yet, the province according to the report of the Meston Committee, had—I quote that report—" large arrears of administrative progress to make up." Some progress has been made, but it has only been rendered possible by additional taxation and severe retrenchment, mainly the latter. These means of increasing or conserving the funds at our disposal have disappeared or very nearly so. Our revenues are not capable of any large measure of expansion. We cannot further retrench, as our standard of expenditure is the lowest in India save that of one other province. We have achieved some progress in the nation-building departments, but they risk being starved in the future. Lastly, we have had the disastrous floods of September. They have affected our revenues to such an extent that if we lose the proposed remission of 56 lakhs, the United Provinces, which in the period 1921-26 will have contributed 1,200 lakhs to the Central Government, will be compelled to borrow to cover its budget deficit.

Sir, there are three main arguments in favour of the remission of the cotton excise duty. The first is that this duty is a tax on small incomes. It is disputed by some that the tax will come out of small incomes, but assuming for the moment that it will my answer is that it is impossible in India to avoid taxing small incomes. If we are to do any good to the poor, or to the people who only possess small incomes, we shall have to tax them in a country like India. Without such taxation there will be no uplifting or education of the poor, and indeed it will be impossible to carry on the Government on their behalf. Another argument is that the imposition of the cotton excise duty was unrighteous and iniquitous and conceived for the benefit of Lancashire. This argument appears to me to imply a most extraordinary personification of a tax. If the tax is no longer an unrighteous one, I cannot see how you can attack the tax because its origin was unrighteous.

PANDIT SHAMLAL NEHRU: What was the excise duty?

MR. E. H. ASHWORTH: We have heard a great deal of very strong language as to the criminality of those who originally imposed this tax. My answer to that would be that if Lancashire hands were incarnadined by the imposition of cotton excise duty they were washed white as snow by the subsequent import duty.

Lastly, we are told that Government promised the remission of the cotton excise duty and Government must be kept to their promise whatever the results. But the circumstances have changed since that promise was made, changed by the imposition of the import duty. Again, the so-called Government promise was conditional on funds being available. How can you say that funds are available so long as the provinces are bankrupt and being starved for funds? Lastly, I would point out that wise people do not exact the fulfilment of promises the fulfilment of which is not to their best interests.

PANDIT MOTILAL NEHRU (Cities of the United Provinces: Non-Muhammadan Urban): Sir, like my friend the Honourable Mr. Ashworth I come also from the United Provinces. He comes with a mandate from the Government, I come with a mandate from the people. I enjoy the suffrage of the people, my Honourable friend is here by the sufferance of the Government. That is the difference between him and me. I stand here to support

the motion under discussion on behalf of the people, who, according to my friend the Honourable Mr. Ashworth, will be very much prejudiced if this motion is passed. Why do I do so? Not because I do not press the claim on behalf of the people as strongly as Mr. Ashworth does for the reduction—I may say, the total abolition—of the provincial contributions. As I made it perfectly clear in my speech the other day on this motion, we do not want any remission of the excise duty at the expense of the provinces. We say that both of them are bad and that both of them must go. It is pleaded on behalf of the Government that it is not possible in the present state of the central finances to abolish both the contributions and the excise duty. In fact, it is said that the reductions that are proposed in the contributions will be materially prejudiced if even a half per cent. reduction in the excise duty is made. Now, Sir, I am not for any reduction of the excise duty however large. I say that the excise duty is a disgrace to the country, a greater disgrace to those who levy it than to those who pay it. The disgrace must go. I am not aware of any mathematical formula or calculation by which one can strike percentages or determine degrees of disgrace. Either it is a disgrace or it is not, and on that basis I ask for the entire abolition of this duty.

My Honourable friend Mr. Ashworth said that whatever sting there was in it was removed by the imposition of the import duty. What does it mean? It means this that the disgrace is there but the party disgraced is given a comfortable couch to lie on and compensated in other ways. I for my part refuse to appraise disgrace in terms of rupees, annas, and pies. If it is a disgrace it remains a disgrace whether you keep the whole of the excise duty or reduce it to one pice. If the lowest duty remains it is as great a disgrace as the full duty.

I have to say only one word to my Honourable friends in this House. The Honourable Sir Basil Blackett has repeated the oft-played game of trying to raise a conflict where none exists and thus attempting to divide the vote of those who are whole-heartedly in favour of the abolition of this excise duty. He raises the bogey of the continuance of the provincial contributions and says that that is the only means open to us by which we can allow any reduction of the excise duty even to the extent of half per cent. Now, I would beg the House not to be influenced by that consideration at all. If it is not possible to do both, which I do not admit, then let the responsibility for continuing this disgrace lie with the Government. Let them say, " We cannot be parties to our own disgrace and therefore we will not help you." We do not ask you, and I make it perfectly clear once again, to touch the reductions of provincial contributions. It is for you to make the two ends meet. We have suggested various means of making the two ends meet. If none of them appeals to you, it is you who will be responsible for continuing this disgrace. I ask the House to vote without paying any attention to the threat that reductions of the provincial contributions will be omitted if this House passes the motion. I would ask every Indian who values his honour above considerations of money to vote for this motion.

THE HONOURABLE SIR CHARLES INNES (Commerce Member): We have had so many debates about this unfortunate duty, that I am afraid that on both sides of this House we have got into the habit of taking debating points one against the other. I suggest, Sir, seriously for the consideration of the House that the time is past for rhetoric of the kind which my Honourable friend, Pandit Motilal Nehru, has just given the House and the time is past for those appeals to India to wipe out this disgrace. I should like the House now to consider this problem, as we have considered it in the last few days, purely as an economic problem. By way of another preliminary remark, Sir, I should like to say that I do not think that my Honourable friend, Mr. Rangachariar, had any right to say that the Government were deliberately going out of their way to irritate this Assembly. The facts are entirely against the Honourable Member. We agreed to the adjournment of the House the other day in order that we might consider all the suggestions made by the House, and we have considered all those suggestions in the last few days. Now, I want to ask the House to clear away all prejudices and to try to examine this problem in the light in which I shall place it. I think that we may at once start by clearing our minds of the idea that Lancashire in any way stops the taking off of this excise duty. (*A Voice*: " Not without proof.") We may also clear our minds of any suggestion that the taking off of this excise duty is going to help the consumer. I have ascertained myself that the millowners themselves do not make that claim. Therefore, what is the reason why the millowners are so anxious to have the duty taken off? I will

try to put their point of view first, and then I will try to put our own point of view. The millowners' claim is simply and solely this: "We are passing through a crisis. We are in a state of depression at the present moment and the taking off of the excise duty will help us and help our industry." That is a perfectly reasonable position for the millowners to take up. What is the reason for this depression? There are various reasons. The first one is this. I gave some figures the other day showing that the price of cloth has been dropping ever since 1922-23. When the market is a falling market, it means that the dealers who buy large stocks of cloth from the millowners lose their money, and the consequence is that they are now buying in small quantities. They only buy just enough to carry them over their immediate requirements. They are not buying in large quantities and that is because for a long time the market for cloth has been a falling market. The second reason is Japanese competition. I have ascertained that the millowners accept the figures I gave the other day about cloth. They accept that in so far as India and Japan are in competition India supplies 93 per cent. of the demand for cloth and Japan supplies 7 per cent. But that 7 per cent. is regulating the market at the present time. It is regulating the prices which the millowners can get for all their production. The Japanese competition is worst in drills, but the fact that they are selling drills say at Rs. 1-3-0 per lb. also affects the price which millowners can get for say longcloth. If the millowners charge Rs. 1-6-0 for longcloth the dealers say: "We can get Japanese drill for Rs. 1-3-0 per lb., why do you charge such a high price for longcloth?

That is the second factor in the situation which is depressing the mill industry at the present time. I will not go into reasons why we have this Japanese competition, but that there is the Japanese competition is a fact and it is also a fact that is regulating the prices for the millowners at the present time. Finally, in spite of the fact that the prices have been depressed in this way, I understand, and I said this before, that the present range of prices for cloth in India is still too high for the Indian consumer and that is the third factor which is affecting the mill industry. Again there is more competition among Indian mills themselves. We all know that the mill industry in the last few years has been losing its export market for yarn. There are mills springing up in China, and we are losing more and more every year in respect of our exports of yarn to China. But the mills go on producing their yarn. They have to use it and therefore they have put up more and more looms. Thus there is greater and greater competition among the mills themselves to get rid of the cloth which they are making in increasing quantities. Those are all the factors which I understand are affecting the mill industry at the present time, and I think you will all agree that they are serious factors and that the mill industry is in a depressed state. It is particularly depressed in Bombay. I think I am correct in saying that the depression is worse in Bombay than in Ahmedabad or, Cawnpore, or any other part of India. (*A Voice:* "Throughout the Bombay Presidency.") The net result is that the cost of production of cloth is still too high and the millowners have got to bring their costs down. I have ascertained that if we take the cotton excise duty off the mill industry would be able to meet Japanese competition to the extent of ¾ths of an anna per pound. It would reduce the cost of their production by that amount. It would help them to that extent. That is, I say, the case of the millowners and I do not for a moment deny that the case especially in Bombay is a strong one. The mill industry is at present in a depressed state, and speaking as the Commerce Member of the Government of India, I should like to say, that if we can help the industry in any other way than the one which is now being discussed by the House, everybody may take it that we shall do our very best to do so. But we are up against this difficulty. I am perfectly satisfied from the figures that I have seen that the reduction of half per cent. in the cotton excise duty will not help the mill industry to any extent worth talking of. If you reduce the cotton excise duty by half per cent. that is by one-seventh, you reduce the cost of producing each pound of cloth by just over a pie and it will not in any way help the mill industry out of the difficulty in which they are at present. Therefore, we were driven to this conclusion that if we are going to do any real good to the mill industry, we must go the whole way and take off the whole of that duty. Thus we are back in the difficulty we have been in since September last. We are satisfied that we cannot both reduce the provincial contributions and abolish the cotton excise duty and that we have to choose between the reduction of provincial contributions and the abolition of this cotton excise duty. We have decided in favour of the contributions, and I think that everybody in this House has endorsed our decision. I suggest that it is no good coming to us now and saying, "Oh, yes, if you look into the recesses of your Budget you will be able to find

the necessary money, the two crores that are required to take off the cotton excise duty." That is not the case. I have tried to explain the point of view which Government have taken in this matter, and I hope Mr. Rangachariar will now withdraw that remark of his, that if we do not take off this half per cent. of the cotton excise duty, we are merely going out of our way to irritate the House. We are not doing it because we are satisfied that it will do no good to the industry and that we should be merely giving away this money to no useful purpose.

SIR PURSHOTAMDAS THAKURDAS (Indian Merchants' Chamber: Indian Commerce): Sir, the statement made by the Honourable the Finance Member has certainly not surprised me and I am bound to say to the House that it has not disappointed me. I should have been most agreeably surprised if the statement was anything else than what it is. The Honourable the Commerce Member asked the House to forget the one aspect of the question which is most uncomfortable to the Government of India and which the Government of India cannot meet at all. We have been told that since the House adjourned the consideration of the question there have been consultations on this question at the Viceregal Lodge. That is one of the motives for which the House agreed to the adjournment. May I ask the Honourable the Commerce Member and the Honourable the Finance Member if there have been consultations with the Secretary of State also about this? What is the good of the Honourable the Commerce Member telling us that Lancashire has no voice in this matter. We want proof of it. It will not do to ask the House to overlook one of the strongest points on which this excise duty is based and which is the main reason why the House and the nation are so united that the excise duty must go. It suits Government very well indeed to say that they are not prepared to place copies of despatches or messages between them and the Secretary of State on the table of this House. If the Honourable Members on the Government Benches expect this House to accept their word that Lancashire has no say in this matter I would ask them to categorically say that since the House adjourned the further consideration of the question there has been no consultation with the India Office.

THE HONOURABLE SIR BASIL BLACKETT: There has been consultation with the India Office, and I am in a position to say that, if we could abolish the whole duty, there would have been no obstacle whatsoever from Lancashire or from the India Office.

SIR PURSHOTAMDAS THAKURDAS: I am very glad, Sir. It is then a question of funds and it is a question for this House to find the funds. May I ask, Sir, whether it is not for the Government to explain how they could set aside 63 lakhs of rupees to be given to Calcutta for three years more and say to us that we must wait for the removal of the cotton excise duty? If the Government are so hard up, why should the Government not say to Bengal that we have given you three years' remission and we cannot afford you any more with due justice to the claim of the cotton industry? Sir, when the question of Bengal comes up, the Honourable the Finance Member is very ready to meet them and says, "I will not even take credit for this in the Budget until the House has approved of the remission." I am not jealous of Calcutta (Bengal). I would help Bengal as much as possible but I put it to the Government of India—does it lie in their mouth to say that they cannot find the money for the remission of this obnoxious duty. The conclusion can be only one. Where there is a will there is a way. You have not got the will, therefore you put up all sorts of excuses. The House will not take them and I assure you that the public will never believe the Government of India when they say that they have not got the funds. Why did you not say to Bengal "We gave you remission for three years and we will henceforth give you remission only on a *pro rata* basis." After all what is the special preference to Bengal based on? Just one sentence in the Joint Committee's Report. You can find the funds when you want to. When you do not want to, you come and say that you are trying to improve the credit of India in the money market, you are trying to have greater amounts put aside towards debt redemption. In another breath you say, "Our credit is so good and our finances are so good and the national debt is so small that we can really congratulate ourselves that the Government of India have done very well by the people of India." Sir, the two cannot be reconciled. Let us have it straight. You do not wish to remit the duty and the Honourable the Commerce Member said that the excise duty will go to the pockets of the millowners. We have had enough of that plausible argument. If the Honourable the Commerce Member dose not want a repetition of the fact that there is dictation from Lancashire let him not repeat also that this duty will go into the pockets of millowners.

The most interesting point, however, is this. In two years the Government of India have laid by 11 crores of rupees. Towards what? Towards debt redemption. Did they ever think, Sir, of this pledge which I still see the Members on the opposite side are not prepared to give up as a pledge? They have not come to that stage yet. In view of the attitude of the Government of India, I wonder whether it will not come to that stage very shortly. They still confess that Lord Hardinge did give a pledge. In two years (1923-24 and 1924-25) you have saved 11 crores and have you thought of the excise duty and the guarantees and the pledges given? It is all very fine to ask people to believe in the good faith of whatever you put before them but there must be a limit to it; and people can make up their minds as to which way the whole thing tends. (*A Voice:* "Join the Swarajists.")

There is one more point which I should refer to before I resume my seat. The Honourable the Commerce Member said that there was no competition between Lancashire goods in the Indian market and Indian goods. I interrupted him and said that that was the joke. The same was pointed out again to-day by the Honourable the Government representative from the United Provinces, Mr. Ashworth. Let me put it to you very shortly. Was there competition between the outturn of mills in India in the early eighties and nineties of the last century? Is it not admitted to-day, I put it to the two Honourable Members opposite, that in those days it was the fear of dictation from Lancashire that made you impose the excise duty on India? Why was it so then? There was no competition. Lancashire did not turn out the 10 or 12 or 14 counts yarn. Nor did India then spin fine counts of 24s and higher. The position is exactly the same to-day. I expected the Honourable the Commerce Member and the Government of India to know better. What is this joke? The joke is that Lancashire can see beyond the tip of its nose; it can look ahead, and therefore says, "If the mill industry goes on developing in India a day will come when the Indian mills will turn out finer counts." That is what they do not want. And what is the good of getting up and saying there is no competition.

THE HONOURABLE SIR CHARLES INNES: May I interrupt the Honourable Member? I was quoting from the millowners' own statement.

SIR PURSHOTAMDAS THAKURDAS: But what is the inference? What is the good of quoting a line which has no relevancy to the whole question? Sir, it is the inference that the Commerce Member wishes to be drawn from his quotation that matters. What did the Honourable the Commerce Member, when he made that statement, intend this House to infer? Was the Honourable the Commerce Member trying to mislead this House? I cannot believe, Sir, that such a responsible Member of the Government could descend to such a thing as that. But why, Sir, create these issues, and why try to mislead the House; why not stick to the facts? It is a merchant talking to the Commerce Member of the Government of India. Why put in other questions? Lancashire is afraid that if the Indian cotton industry should expand, if they were less handicapped and if there were more facilities for the cotton industry, then the Indian mills may take to finer counts; and that is just what they do not want. It will not do therefore naively to say that the millowners say there is no competition between Lancashire and Indian cotton goods. The millowners are bound to state what the facts are. They will not say anything that will mislead the Government of India or the public, as the Honourable the Commerce Member tries to do. The millowners say there is at present no competition. That may be. But does the Honourable Commerce Member want these words to convince us that the apprehension of Manchester is not this, that if the excise duty is removed and if the Indian cotton industry is allowed to expand and develop, the Indian mills may turn out finer counts, finer counts which Lancashire is anxious to continue to send to India? That, Sir, is the secret of the Government of India keeping to their policy in connection with the excise duty. It has not surprised me. I am only sorry for the Government of India. The cotton industry will try its best to look after itself. In the Government of India it has found no friend up till now. We know now—India knows now—that she will have to struggle much longer before we can get the Government of India to see the right side in this question.

SARDAR V. N. MUTALIK: Sir, I am neither a millowner nor a shareholder. I do not come here on the sufferance of Government or on the sufferance of the people. (*Cries of* "How do you come here at all? You are an elected Member.") Sir, I have a very open

mind on this question and up till now I have tried to keep my mind as open as I possibly could do. The decision of the Government was not quite unexpected. I would only appeal both to the millowners and to the country to take the decision in the most sportsmanlike spirit which they can possibly do. The picture has two sides to it, and I think the decision of the Government coming in the way in which it has come is the result of both logic and reason.

We are told that the mill industry is established in India on a firm basis. It has been in existence for the last 50 or 60 years. There is a probability of some competition with Manchester or Lancashire goods. But, Sir, may I ask the millowners themselves or their representatives to say why after 60 years they have not yet succeeded in competing with Manchester or Lancashire ? They are still where they were. Is it not the fact that they have misused their opportunities, that they have not taken the fullest advantage of the opportunities which did come to them at the time when profits rose high ? Now when the industry is passing through a critical stage which perhaps is not the result of any foreseen incident, it is no fault either of Government or of the public. The public have given the fullest sympathy and support to this industry since, I suppose, before the early nineties. The Swadeshi movement and then the Boycott movement came in and that supported this industry. But the profits which the millowners made did not go for the development of the industry itself. The profits went in foreign articles like motor cars and other luxuries, if not in other ways. But, Sir, I agree in one thing, that the tax is bad. I do not support Government in their action or in their view. If the Government find me in another lobby it will be on the ground that the tax is bad, and I only vote on the other side to give expression to my view that the tax is bad and ought to go in time. But I hope the lessons which the present position of the mill industry teaches will not be lost on those shrewd businessmen, the millowners, and I hope the industry will not come for any protection as in the case of other industries. (*A Voice* : " You support the Government ?") I would gladly have supported the Government had the tax had any merit about it. My province does not stand to gain anything from the remission of provincial contributions. It may of course come. But if this tax is removed, certainly, Sir, the industry of which my Presidency is proud and which is the pride of the whole of India will gain, and I hope the Government will soon find their way to remove this tax. I do not want to go over all the sins of the millowners. I only want to appeal to the country and to the millowners that they should take the Government's decision in the most sportsmanlike spirit which they can.

MR. N. M. JOSHI: I should like to make a personal explanation. When I spoke last time on this motion I stated that although I was in favour of the removal of the duty I did not support the motion on the ground that I thought the millowners had given a threat that if the duty was not abolished they would reduce the wages of the labourers. I am now assured that the millowners did not intend any such threat and I therefore propose to support the motion.

MR. PRESIDENT: That is not a personal explanation. The Honourable Member is now explaining the attitude of the millowners.

*MR. M. E. MAKAN (Bombay Northern Division: Muhammadan Rural): Sir, the debates which have taken place up to now tend to show two outstanding questions, and they are these—whether the surplus of the Budget should be utilised for the reduction of the provincial contributions or the abolition of the cotton excise duty. Either of the two is certain. It is equally unjust to uphold the cotton excise duty as it is to continue the provincial contribution in the case of Bombay. Government are not unaware of the strong protest of the Bombay Council. I must bring to your notice that the whole Bombay Presidency is utterly dissatisfied with the management of the nation-building departments due to the want of sufficient money. I hope this fact will not pass unnoticed by the Finance Member. In short, in addition to the abolition of the cotton excise duty, the claim of the Bombay Presidency with regard to the contributions should not be overlooked.

*Translation of speech delivered by the Honourable Member in vernacular.

SEVERAL HONOURABLE MEMBERS: I move that the question be now put.

MR. PRESIDENT: The question is :—

" That the question be now put."

The motion was adopted.

MR. PRESIDENT: The original question was :—

" That a sum not exceeding Rs. 71,66,000 be granted to the Governor-General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Customs.'"

Since which an amendment has been moved :—

" That the provision of Rs. 77,000 for the Cotton Excise Establishment be omitted."

The question I have to put is that that provision be omitted.

The Assembly divided :—

AYES—70.

Abdul Karim, Khwaja.
Abhyankar, Mr. M. V.
Acharya, Mr. M. K.
Ahmad Ali Khan, Mr.
Aiyangar, Mr. C. Duraiswami.
Aiyangar, Mr. K. Rama.
Aiyer, Sir P. S. Sivaswamy.
Aney, Mr. M. S.
Ariff, Mr. Yacoob C.
Badi-u-Zaman, Maulvi.
Belvi, Mr. D. V.
Bhat, Mr. K. Sadasiva.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Chetty, Mr. R. K. Shanmukham.
Dalal, Sardar B. A.
Das, Mr. B.
Das, Pandit Nilakantha.
Dutt, Mr. Amar Nath.
Ghazanfar Ali Khan, Raja.
Ghose, Mr. S. C.
Goswami, Mr. T. C.
Gour, Sir Hari Singh.
Gulab Singh, Sardar.
Hans Raj, Lala.
Hari Prasad Lal, Rai.
Iyengar, Mr. A. Rangaswami.
Jeelani, Haji S. A. K.
Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Kasturbhai Lalbhai, Mr.
Kazim Ali, Shaikh-e-Chatgam Maulvi Muhammad.
Kelkar, Mr. N. C.
Lohokare, Dr. K. G.
Makan, Mr. M. E.
Malaviya, Pandit Madan Mohan.
Mehta, Mr. Jamnadas M.
Misra, Pandit Shambhu Dayal.
Misra, Pandit Harkaran Nath.
Muhammad Ismail, Khan Bahadur Saiyid.
Murtuza Sahib Bahadur, Maulvi Sayad.
Mutalik, Sardar V. N.
Nambiyar, Mr. K. K.
Narain Dass, Mr.
Dr. Kishenlal.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Pal, Mr. Bipin Chandra.
Patel, Mr. V. J.
Phookun, Mr. Tarun Ram.
Purshotamdas Thakurdas, Sir.
Ramachandra Rao, Diwan Bahadur M.
Rangachariar, Diwan Bahadur T.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar.
Reddi, Mr. K. Venkataramana.
Roy, Mr. Bhabendra Chandra.
Samiullah Khan, Mr. M.
Sardar Rai Sahib M. Harbilas.
Shafee, Maulvi Mohammad.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Ambika Prasad.
Sinha, Mr. Devaki Prasad.
Sinha, Kumar Ganganand.
Syamacharan, Mr.
Tok Kyi, Maung.
Venkatapatiraju, Mr. B.
Wajihuddin, Haji.
Yakub, Maulvi Muhammad.

NOES—42.

Abdul Mumin, Khan Bahadur Muhammad.
Abdul Qaiyum, Nawab Sir Sahibzada.
Abul Kasem, Maulvi.
Ahmed, Mr. K.
Ajab Khan, Captain.
Akram Hussain, Prince A. M. M.
Alimuzzaman Chowdhry, Mr.
Ashworth, Mr. E. H.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Basil.
Bray, Mr. Denys.
Burdon, Mr. E.
Calvert, Mr. H.
Clarke, Sir Geoffrey.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Fleming, Mr. E. G.
Fraser, Sir Gordon.
Ghulam Bari, Khan Bahadur.
Graham, Mr. L.
Hira Singh Brar, Sardar Bahadur Captain.
Hudson, Mr. W. F.
Innes, The Honourable Sir Charles.
Lindsay, Mr. Darcy.
Lloyd, Mr. A. H.
Marr, Mr. A.
McCallum, Mr. J. L.
Mitra, The Honourable Sir Bhupendra Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir Alexander.
Naidu, Mr. M. C.
Raj Narain, Rai Bahadur.
Rau, Mr. P. R.
Rhodes, Sir Campbell.
Rushbrook-Williams, Prof. L. F.
Sastri, Diwan Bahadur C. V. Visvanatha.
Singh, Rai Bahadur S. N.
Stanyon, Colonel Sir Henry.
Tonkinson, Mr. H.
Webb, Mr. M.
Willson, Mr. W. S. J.
Wilson, Mr. R. A.

The motion was adopted.

(Extract from the Debate of the Legislative Assembly on 16th September, 1925.)

RESOLUTION RE. SUSPENSION OF THE COLLECTION OF THE COTTON EXCISE DUTY FOR THE REST OF THE CURRENT YEAR, 1925-26.

MR. PRESIDENT: In connection with the next Resolution that I will just ask Sir Purshotamdas Thakurdas to move, I desire to make one observation. It is this. The question of the abolition of the excise duty has been discussed in this House more than once during the course of the last 12 months and if this Resolution had anything to do with that general question I should not have admitted it, but because it raises a narrow issue, namely, of suspension of the excise duty for this particular year owing to peculiar circumstances of the textile industry in Bombay, I have admitted it ; and I want Honourable Members to bear this in mind discussing this Resolution. The remarks they make should be strictly confined to that narrow issue alone and not to the general question of the abolition of the duty.

SIR PURSHOTAMDAS THAKURDAS (Indian Merchants' Chamber : Indian Commerce) : Sir, I rise to move :—

> "That this Assembly recommends to the Governor-General in Council to be pleased to forthwith suspend the collection of the cotton excise duty for the rest of the current year 1925-26 in view of the critical stage of the Indian textile industry as at present prevailing."

The injunction, Sir, that you now enunciated for our guidance is to my mind most opportune. I am aware that the question of the abolition of the cotton excise duty was discussed by this House almost a year back and was again discussed last March when the necessary demand for collection of this duty was refused by this House by a substantial majority. But since then, Sir, His Excellency the Viceroy has been pleased to restore the grant and the collection of the excise duty is continued till now as before. The question therefore, Sir, of again recommending to the Governor-General in Council to desist from collecting the excise duty for the remaining period of the current year is one which to my mind ought to specially appeal to this House. It is a part of the idea which led them to refuse the demand of the grant for the whole of the year. I hope to be able in the course of my remarks hereafter to submit a few of the reasons why this House should recommend to the Governor-General to suspend collection of this duty at least from now onwards for the balance of the year that is now left.

When, Sir, we asked in March last that the excise duty be abolished, we based our claim on the several pledges of the Government of India that the excise duty would be removed as soon as feasible or, to put it in other words, as soon as finances permit. I feel that those who pressed the Government then to abolish the excise duty exercised considerable foresight. At that time it was contended that only mills in Bombay were either losing or just making both ends meet. I was reminded, if I mistake not by my Honourable friend the Commerce Member, that mills in Ahmedabad were doing better. The crisis which some people in Bombay interested in the textile industry had the foresight to see unmistakably has, Sir, travelled to Ahmedabad. I feel that the question may be raised why only the millowners from Ahmedabad and Bombay chose to wait on His Excellency the Viceroy and they did not include amongst them millowners from Cawnpore. I do not know if the Millowners' Associations of Ahmedabad and of Bombay did ask their fellow-brethren in Cawnpore to join them or not, but if this present plight of the industry is allowed to continue without any assistance from the Government of India, where they can give very substantial assistance to stem the tide, I feel that it may not be many months before Cawnpore, Madras and other parts of India, which have cotton mills, feel the pinch unmistakably. But, Sir, the mills in Cawnpore have a special advantage over the mills in other parts of India, especially in the Bombay Presidency. Being perhaps nearer to the headquarters of the Government of India, they have the best and the largest custom of the Government of India and it is possible that, owing to this, orders are on their books, and owing to the prospect of these orders continuing, they may not feel the pinch which the average mill in the Bombay Presidency feels by having to dispose of its wares in the open market.

Sir, I, as representing my constituency, appreciate this privilege which the ballot box has given me of drawing again the attention of the Government of India to the growing serious condition of the Indian textile industry and I only hope that my appeal will not fall on deaf ears or on unsympathetic ears.

In his replies to several questions in this House the Honourable the Commerce Member referred Honourable Members to two things, either to the reply given by His Excellency the Viceroy to the deputation which waited on him last month or to the debate on the motion for adjournment in the Bombay Council in connection with the critical condition of the textile industry. I propose, Sir, to take a few of the salient points on which His Excellency the Viceroy depended for his refusal to the millowners' deputation to do anything at present in connection with the removal of the cotton excise duty. I do not overlook that the main object and request of that deputation, Sir, were not the suspension of the excise duty but its abolition. His Excellency the Viceroy said that he fully realised that the cotton industry was " one of the greatest and certainly the most typical Indian industry in India." With that description of that industry we would all agree. He further admitted :—

> " That the Government of India are pledged to abolish the excise duty as soon as financial considerations permitted."

He proceeded :—

> " We stand by the letter and spirit of that pledge. The excise duty must go and I do not propose at this stage to occupy time by discussing whether or not it can be theoretically justified."

That confirmation of the several pledges given by previous Viceroys and Finance Ministers, I take it, strengthens my hand in the appeal that I extend to the Treasury Benches to-day. His Excellency proceeded, Sir, to take a brief survey of the textile industry and reminded the deputation :—

> " That the industry was passing through a crisis which was common to the textile industry of the whole world."

He said :—

> " There must be some general causes at work ".

and he concluded :—

> " The price of cloth is still out of relation to the prices of other commodities."

He finally said that with a lower price for cotton he expected that cheaper cloth would be available to the consumer and by inference I conclude that he hoped that then the industry will begin to experience normal times. But in the following paragraph, Sir, he referred to what he called the particular problem of the textile industry in India. He said :

> " The result has been an increase in the production of cloth."

He also pointed out that imports, though they are still below the pre-war level, are beginning to revive and that he found that last year the total amount of cloth offered for sale in India, inclusive of the estimated production of the handlooms, was very nearly up to the pre-war level. In fact, my inference from that part of his reply was that India, according to His Excellency the Viceroy, was producing more than before the war and hence the present difficulty. I wish to pause here for a moment, if I may, to put another construction which I think can very safely be put on these words. Before the war, or rather during the war, when the Commerce Department had a Committee which was called the Standard Cloth Committee, I remember, Sir, that the figures put before us were that about 45 to 48 per cent. of the total consumption of cloth was manufactured in India. It is natural that during the war, in common with other countries especially Japan, we have had an increase in our looms

and spindles in the cotton mills. But we are still very far from reaching anything like even the 75 or 80 per cent. of the requirements of India that we ought to produce and that we can produce in this country with cotton at our very doors—surplus cotton which we must export—and with trained labour of a certain standard also available to us. I am therefore rather disappointed that His Excellency the Viceroy should have thought that the blame for the present crisis should be that we are progressing in the direction of making India self-reliant and independent of imports from outside. I do not venture to say whether His Excellency really meant to criticise this activity of India. But I wish to point out that, if we are increasing our local production and if, owing to various world factors, it is found that there is a certain depression in the trade which is common all over the world, the relief that should be given by any Government which can be said to be either a paternal or real Government in the interests of the people would be to see if the imports which are being dumped in this market or are really hitting the genuine production of this country should not be prevented from doing so. But this, again, Sir, is a very broad and a very wide subject, perhaps a debatable one. I only wish to refer to it. I do not wish to follow it up because it is not necessary for the purpose of my Resolution before the House.

His Excellency next went on to the question of remedies and he said :—

> " I recognise, therefore, the force of your appeal. I do not think—nor, unless I am much mistaken, do you claim—that the abolition of the cotton excise duty is all that is necessary to restore the industry to health. But your plea is that even a reduction of 9 pies per pound in the cost of production will give some relief to the industry."

I personally, Sir, very much appreciate the anxiety of His Excellency the Viceroy to ensure that, when a deputation waits on His Excellency, the relief that should be available to that industry should be such as will be far-reaching, thorough-going and not half-hearted. But, Sir, the deputation simply went to pray that the handicap which was put on the industry, not at the request of the Government of India but absolutely against the wishes of the Government of India and at the dictation of what to-day either rightly or wrongly but certainly is looked upon as a competitor of the Indian mills, namely, Lancashire, should first be abolished. I feel, Sir, that His Excellency the Viceroy absolutely meant what he said when he expressed his anxiety that the relief to the industry should be more than the mere abolition of the excise duty. But it is difficult to understand why, when His Excellency's intentions were so good and so beneficial to the industry, His Excellency desisted from agreeing to what, indeed, he could and, I submit, he should have complied with. With that part, Sir, His Excellency dealt in the following sentences. With your permission, I will read three or four of these sentences :—

> " As I have said, I recognise the strength of this plea and I and my Government have again considered most carefully whether we could not meet you in this matter. It is with real regret that I have to inform you that we have come to the conclusion that we cannot grant the request. I hardly think, indeed, that you have realised what that request means. You ask us to take action now in the middle of the financial year before the year has fully declared itself and before the commitments and the prospects of next year are fully known. You suggest that at a time of this uncertainty the Government should remit a source of revenue which brings us in Rs. 2 crores. It is only in the most exceptional circumstance, exceptional to a degree which it is difficult to envisage, that a Government would be justified in adopting such a course. The time for taking stock of prospects is the time of the preparation of the Budget. Then and then only can a proper estimate be made of future prospects of revenue and charges. This decision indicates no lack of sympathy with the industry, no want of will to help it in its difficulties and no lack of desire to see the removal of the excise duty. As you have been told again, we are pledged to take the excise duty off and we will take it off as soon as financial considerations permit."

I hope, Sir, to place a few more facts before the House to-day why the Government of India should take action in the middle of the year and why it is incumbent on the Government of India, if they really wish well, not only to those engaged in the industry but to the whole of the trade in those parts where this industry is the most important occupation of

the citizens, to accept this Resolution. The extra duty, Sir, works out not to 3½ per cent as it originally did and was meant to, but it works out to-day to something like 8¾ per cent. of the cost of production of the Indian mills. I will explain it very fully to the Honourable the Commerce Member. I shall read now from a part of the address to His Excellency the Viceroy. It runs as follows :—

> " When the Honourable the Finance Member met the Millowners' Association on the 2nd July, he was given details of the incidence of this 3½ per cent. excise duty on our industry. At present this excise duty represents on an average three-fourths of an anna per pound of cloth as compared with a little over one-quarter of an anna per pound in 1913. The reason for this is that the prices of cloth have considerably increased owing to the increased price of cotton, coal, stores, increased taxation, higher wages, shorter hours of labour and heavier interest charges. It may interest Your Excellency to know that locally made shirtings which were sold in 1913 at about 8 annas per pound now cost 18 annas per pound to produce due to the high price of cotton. The result is that the Government of India are collecting 2¼ times more duty than in 1914 owing to the increase in the price of raw cotton and other charges in the manufacture of cloth. If the prices had remained the same as in 1914 the collection from the excise duty would not have been more than 90 lakhs instead of 210 lakhs as now collected by the Government of India. The injustice of this duty is that the Government of India benefits from the increased cost of production and the levy of import duties on machinery, stores and accessories which up to 1914 were admitted free, a position which it is submitted cannot under any circumstances be described as either equitable or fair. The excise duty represents about 8¾ per cent. of the cost of our production, *i.e.*, after omitting cost of the raw material."

Now, Sir, owing to the world conditions referred to by His Excellency the Viceroy, thanks perhaps to the policy of the Finance Member of controlling prices in this country, partly perhaps due to his policy of contraction of currency in the country, the result, Sir, to-day is that the buying power of the Indian people is considerably reduced. My Honourable friend questions that. I will not give him my opinion, which he may not value. . . .

THE HONOURABLE SIR BASIL BLACKETT (Finance Member): Give me the Bombay Millowners' opinion.

SIR PURSHOTAMDAS THAKURDAS: No, but I will give him what Barclay's *Bank Weekly Bulletin*, dated July 1925, says under the heading " India ":—

> " In both countries "—*that is, Japan and India*—" the output has been stimulated by the fact that as the prices of Indian food grains have not risen proportionately to the general increase in the cost of living, the purchasing power of the Indian cultivator has been adversely affected " —*I hope the Honourable Finance Member recognises who the Editor is*—" and therefore he has been buying a larger quantity of Indian and Japanese textiles and less of the finer but more expensive productions of the Lancashire mills."

The Editor is pointing out why Lancashire's exports to India do not have as ready a market as they want. I quote them for the purpose of showing that the buying power of the people has been admitted to be considerably reduced.

THE HONOURABLE SIR BASIL BLACKETT: You said that it had been reduced by certain actions of the Government. It does not say anything of the sort.

SIR PURSHOTAMDAS THAKURDAS: Well, I will then read from the beginning. It says :—

> " In considering India's trade figures, it should be remembered that, in general, Indian prices have remained comparatively stable during the past year, and, in fact, since the Armistice, have shown less variation than gold prices, this greater stability, as pointed out by the Finance Minister in introducing the Indian Budget at the end of February last, having been influenced by the Government's policy in regard to the exchange."

Does that now connect the two ?

THE HONOURABLE SIR BASIL BLACKETT: I do not think it does.

SIR PURSHOTAMDAS THAKURDAS: May I pass this journal on to you ?

THE HONOURABLE SIR BASIL BLACKETT: I have seen it.

THE HONOURABLE SIR PURSHOTAMDAS THAKURDAS: Now, Sir, owing to this—this is the fourth monsoon that the country is passing through, and at least the past three monsoons have been, if not good, fairly normal—and in spite of the three normal monsoons, the buying power of the Indian people has been so much reduced that to-day of the locally manufactured goods twelve crores worth of piece-goods are lying in Bombay and Ahmedabad alone, awaiting buyers. The mills find that compared with the prices of cotton and with the other charges they have to pay, they cannot make both ends meet, but they are dropping money. In Bombay 11,500 labourers have been thrown out of employment, owing to five mills having closed down. Four mills have given notice of closing down, and these four mills when they close down will throw out of employment 8,000 more hands. In Ahmedabad two mills have closed down, and six mills are reported to be on the market for sale. Further, Sir, we got news yesterday of a strike in Bombay affecting 12 mills, and which means that very nearly 12,000 more people will be out of employment. Putting the figure at the lowest, 30,000 millhands are out of employment to-day, owing to either the closing down of mills or owing to millhands having gone on strike. My Honourable friend over there, who is so much interested in labour, asks a question regarding wages. Under these extremely difficult circumstances, and finding in the Government of India a government which has a heart of steel and very difficult to move, a government which in spite of the unanimous opinion of this House, as far as the non-official element was concerned, restored the grant which would have enabled them to collect the excise duty, the millowners said to the labourers, " We must either cut down wages or close the mills." I am sure even my two energetic friends of labour in this House will admit that millowners have not done it out of sheer fun or avoidably. They made it abundantly clear that if they got the relief to which they were entitled from the Government of India, and which indeed is being kept back from them in a manner which in their eyes is absolutely unjustifiable, they would forthwith restore this cut.

MR. CHAMAN LALL: Will the Honourable Member tell this House the number of mills or the proportion of mills which are not working at a loss to-day ?

SIR PURSHOTAMDAS THAKURDAS: The number of mills not working at a loss to-day is approximately given to me as about 25. I propose to go on the figures I have from the Honourable representative of the Millowners' Association. It is possible that the information of my friend here may vary a little, but the point is whether at this juncture, when the majority of the mills find themselves absolutely in an impossible position to carry on operations, and have to close down, whether this House should not again recommend to the Governor-General in Council that he should suspend the recovery of the excise duty for the balance of this year.

Sir, His Excellency the Viceroy said in his speech with regard to the decision not to do anything at present :—

> " The decision merely illustrates that prudence which it is incumbent on every government to exercise in relation to its finances."

With all due respect to His Excellency the Viceroy, I submit that the real dictates of prudence at this juncture is not that the Government should take an over-cautious view, but that the Government of India should extend their assistance at this very juncture. I am sure, Sir, that it will be admitted that prudence needs that prevention be regarded as better than cure. When the coal grading Select Committee Report was before this House, I pointed out to the Commerce Member that that was one instance where the Government of India would do nothing or very little indeed when the trade pleaded with them to take some preventive measures and stop further rot setting into the coal trade. The Honourable Commerce Member said we were then passing through the war period. What is the result ?

Whilst the Government of India did not heed what an important section of the trade wanted, they had to come out with a costly curative measure' a measure, which may help the industry but which would take long to place the industry on the basis it was.

THE HONOURABLE SIR CHARLES INNES (Commerce Member): May I rise to a point of explanation ? It would not be relevant to discuss the point the Honourable Member is now making, but I have not the least idea what he is talking about in saying we did not agree to the important suggestion made by an important section of the trade.

SIR PURSHOTAMDAS THAKURDAS: Wagon supply to the coal trade, and especially to those Indian-owned mines. The Honourable the Commerce Member cannot forget that quite so lightly. However, Sir, I trust that to-day, although it may be fairly late, it is not too late for the Government of India to extend to the cotton industry, which is admitted on all hands to be in a critical position, the help which I think is their birthright. The only question, Sir, is about finances. His Excellency the Viceroy said, when finances permit, the excise duty would be taken off. His Excellency the Viceroy said further that in the middle of a year you cannot find out where you stand in your finances. I, Sir, have had the painful duty of pointing out at the last budget time that the financial position of the Government of India had not only been strengthened adequately, but had, in my humble opinion, been strengthened beyond a point which was either necessary or justified, looking at the interests of the tax-payer in India. I pointed out that during the two years preceding the last the Honourable the Finance Member had set aside 11 crores to debt redemption. I do not include in this the 10 crores which this Assembly has voluntarily foregone by agreeing to the separation of the Railway Budget from the General Budget. If you add those two together, during these years Government have set aside rupees 21 crores. I do not object to either of these, but I do not think it lies in the mouth either of the Government of India or the Honourable the Finance Member to say, when it is a question of helping an important industry, an industry the importance of which has been admitted by His Excellency the Viceroy himself in such eloquent terms, that you have not got the finances. When we were discussing a few days back the Resolution regarding the liquor excise policy of the Government of India, my Honourable friend the Finance Member, very correctly, as soon as he got up, assured the House that he was not going to plead that the large revenues that the various Governments in India at present receive from liquor excise should deter the Government of India from following the right policy. He put the embarrassing financial aspect of the liquor excise question in the background. I had hoped that what happened in the case of the liquor excise policy was also going to happen in the cotton excise. . . . .

THE HONOURABLE SIR BASIL BLACKETT: Why do not the cotton millowners put the financial question in the background ?

SIR PURSHOTAMDAS THAKURDAS: I do hope the Honourable the Finance Member realises the difference between the two ; it is a great pity if he does not at this stage even. Both the sources of revenue, Sir, are not a credit to the Government of India. In fact, Sir, in the case of the cotton excise duty it has been said before now that that source of revenue is a humiliation to the Government of India.

MR. PRESIDENT: I would remind the Honourable Member of his time limit.

SIR PURSHOTAMDAS THAKURDAS: I will finish in five minutes more. I wish, Sir, to indicate very briefly the various directions in which the policy of the Government of India in the Finance Department is such as never to make the cotton excise duty likely to be removed if it is left at what it is, namely, when the Government of India choose to find the funds. Take, Sir, the question of the opium policy. I have here a reply given in the Council of State by the Honourable the Secretary of the Finance Department saying that a Committee of the League of Nations which is to visit India shortly would be allowed to examine the whole situation, and the Government of India would consider the stoppage of the export of opium to any country which abused the imported opium and let it drift into illicit channels and did not keep it confined to medicinal purposes. I do not quarrel with that decision, Sir, but what I wish to point out is that if you do all this for foreign countries, if you are prepared to sacrifice the revenues of the Government of India for the purpose of inhabitants of foreign countries,

have we not the first claim, cannot we ask you to redeem your promise, and cannot we at this critical juncture come to you and say, help us over the balance of the current year ? Next, Sir, is the question of the revenue and capital debits, a question on which this House recorded its opinion yesterday very adequately. There, Sir, is the question of the policy of the Government of India in connection with all matters where capital expenditure is concerned. There, Sir, the policy followed has been an extra conservative policy of debiting all expenditure incurred in raising a long term loan to the revenue one or two years, and the result is that the surplus that we see is limited, in fact it depends upon what the Finance Member agrees to show us. It was only yesterday that this House agreed to a debit of 50 lakhs of rupees; for what, Sir ? For payment of opium grown last year. It is not a revenue expenditure at all; still it is debited to revenue. There is the opium against it; whenever you sell that opium you realise its worth. In ordinary commercial firms and institutions, Sir, such outlay would be debited either to the opium account or suspense account. The Government of India take it out of a year's revenue and debit it to the revenue account. In this way I could go on multiplying the various methods in which the Government of India can make the money available if only they choose to do so. It only amounts to this, do the Government of India really mean to give relief, and I am sure if they do, with the 11 crores they set aside for debt redemption; and the 10 crores they set aside by the separation of the two Budgets, it does not lie in their mouths to say finance has come in their way. At this rate the money required for the abolition of the excise duty may never be available. I am looking forward to the Finance Member putting before us the actuals of last year which he said yesterday he would be able to give the House to-day. I claim the actuals of last year may perhaps be such as to permit him to give us this relief. The only question now is, will the Government of India act, when there is still time, according to all the advices they have received, or will they try to lock the door after the steed has flown ? I cannot help feeling that if, in spite of the various criticial stages through which the industry is passing the Government of India plead that the state of the finances of the country do not permit them to give us this temporary relief for which we ask, it may still be possible that the Government of India in this matter are not free agents and have not got their *kookum* from the India Office. In conclusion, I wish to remind the Government of India of one thing. In Egypt the excise duty was abolished only when a national Government was established. We here in this House and the Indian public in general have been clamouring for an advance over the present state of reforms. It was my painful duty to put before the House why the commercial community were dissatisfied with the Government as it exists at present. If the excise duty, Sir, is not to be suspended even for six months in circumstances like these which I have mentioned—and I am afraid I have done bare justice to the very severe crisis which is looming in the future for the cotton industry—if the cotton excise duty is not to be suspended even under these circumstances, the only conclusion one can come to is that it may only be a national Government that can give us what is due to us. I move my Resolution.

MR. N. M. DUMASIA (Bombay City: Non-Muhammadan Urban): Mr. President, I believe the most dignified, the most weighty and the most valuable contribution made to the debate on the subject of an admitted historical wrong was by the representative of the Bombay Government in this Assembly, I mean my Honourable friend Mr. Webb, who in March last on behalf of his Government pressed for the abolition of the cotton excise and emphatically stated that the Government of Bombay desired to impress very strongly on this House and on the Government of India the necessity for the abolition of the duty because in their opinion it was a heavy and unfair burden on a very important industry and likely to lead to very serious industrial unrest. The speech was brevity itself. I wish I could imitate his sober example, but when we find the emphatic recommendation of the Government of His Excellency Sir Leslie Wilson who wields the destiny of the Bombay Presidency with high statesmanship, prudence and courage is ignored, when we find the deliberate verdict of the representatives of the people in this Assembly flouted, when we see the prospect of a great industry collapsing, suddenly burying under its debris a large number of men of the labouring class, when we see before us the spectacle of thousands of small shareholders being ruined and reduced to beggary, and when we see the great houses of industrial magnates trembling in their shoes at the possibility of the liquidation of many concerns which they had laboriously built up, when we see the fountain of credit on which the prosperity of the trade depends dried up and when in the face of imminent peril to a great industry we see the Government sitting with their folded hands trusting to Providence for an improvement in the

situation, it is impossible to possess our souls in patience and to put a restraint upon ourselves. I, however, strongly deprecate and condemn the baseless insinuations made in a certain section of the Press that while Rome is burning Nero is fiddling. I admit that the Government are carefully watching the situation, but I do say this that the watch has lasted too long and there is a fear of the watchmen falling fast asleep and our goods being carried away by thieves. It is no use closing the stable after the steed has been stolen. . . . . .

THE HONOURABLE SIR BASIL BLACKETT: Sir Purshotamdas Thakurdas said "after the steed had flown."

MR. N. M. DUMASIA: It is no good calling a doctor after the patient has ceased breathing.

When the situation is desperate, when a financial crash looms ominously on the horizon, it betrays, to my mind, a cynical disregard on the part of the Government of great industrial and trade interests, which it is their duty to protect.

I do not want to go into the unsavoury and unhappy history of the question. Let a veil be drawn over it. I only wish to draw the attention of this House and the Government to the gravity of the situation caused by an unprecedented depression and to appeal to Government to take immediate action to rescue this great industry from a total ruin which stares us in the face. I will appeal to the Government to consider seriously whether the delay in giving relief will not prove injurious notonly to the industry butto the Government itself.The mill industry has passed through many vicissitudes in the past, but the present crisis is quite different from its predecessors. Even the oldest residents in Bombay do not remember such a gloomy period having occurred during the last sixty years. It beats all previous gloomiest records. In the past we had a big market for our yarn in China and any depression of trade or curtailment of inquiry from China affected our trade and industry. We have lost the China market permanently and there our powerful and well organized commercial rival—I mean Japan—has established a firm footing. Japan has built mills even in Shanghai and finally bolted the door against Indian trade. This crisis is different in this way that Japan has begun dumping in our own country and it is daily establishing a strong foot-hold in India. It is true that it does not compete with us in all the lines, but a cut in one line drags down the prices in other lines as well. If this dumping is not stopped, if Japan's rivalry in our own market is not checked, our own industry will be entirely ruined and there will be absolutely no chance of its recovery. Japan is competing with us in Mesopotamia and other places in the East and driving us out from those markets also. Our Government instead of helping our industry are giving an impetus to the Japanese industry. When the situation is critical and requires prompt relief Government coolly offer an inquiry into the Japanese competition. The stage for inquiry has passed. This is the time for action. But may I ask what inquiries are Government going to make ? Is it not a fact that the Honourable Mr. Chadwick, the Commerce Secretary, distinctly told the millowners of Bombay that under the most-favoured-nation clause in the treaty with Japan, the Government of India at present could not impose an increased tariff against Japan ? Do the Government want to hold an inquiry into this question ? Did the Government of India raise their voice in the interest of India against this treaty or did they allow Indians to be treated as a mere pawn in the game of political chess of the Imperial Government ?

The way in which the members of the deputation from Bombay and Ahmedabad were unceremoniously hurled down the hills of Simla, when they were given a stone when they asked for a slice of bread to which they were entitled, shows that the Government have failed to understand the gravity of the situation and the dire straits to which the industry is plunged. Nor have they correctly grasped the reality of the situation. The Government think that if the prices of cotton drop, one of the main troubles of the industry would disappear. This clearly shows that there is a confusion of ideas and a want of understanding of the crash that will be precipitated as soon as there is a big drop in the price of cotton, unless other ameliorative measures are applied beforehand to minimize the terrible effects of the crash. It is admitted that the increasing stocks and forced sales are an embarrassment to the millowners, just as my Honourable friend from Bengal pointed out that it was an embarrassment to the paper industry. Therein lies a great danger. We must face the

realities of the situation which is indeed dark. When the prices of cotton go down, the prices of these stocks would drop considerably entailing untold losses on the manufacturers from which they will not recover for years to come. But if the cotton excise duty were abolished, it would give some relief to the millowners to the extent of 9 or 10 per cent. of the cost of production. If that relief were given they would at once further cut the present unremunerative prices and try to dispose of the stock at a loss so as to take advantage of the cheap cotton for the next year. The advantage of cutting the prices would, I venture to assert, in this case directly reach the consumer, who have hitherto held off from buying cloth at a high price. The majority of mills are working at a loss and have to borrow money wherewith to pay the tax which is on production and not on profits. This in these days amounts to a capital levy, which it is only worthy of a communist Government to levy. The millowners are not supplicating for a boon ; they rely upon the sanctity of promise and they rely on the inherent justice of their demand, at a time when their business is ruined, their capital is going down and down, when the interest charges are daily piling up, when they find it impossible to finance the ever-growing stocks of goods in spite of their pledging their own credit and all their belongings, as the agents of the Tata Iron and Steel Company did to save a national industry from ruin before the Government came to its rescue. Owing to the loss of the yarn market in China, the mill agents had to rely upon home markets and they had perforce to increase their looms to feed their spindles. This increased the revenue of the Government and yet the mill agents are blamed for increasing their production. It is said that there is bad management, that the agents squandered their profits in big dividends and that they must first set their house in order. This is, I submit, adding insult to injury. It is true that a few mill agents did ruin the mills and eventually their shareholders, but may I ask, what Government have done to save the shareholders ? Have they amended the Companies Act in order to make the shareholders masters in their own house ? I say they have so far neglected the interests of the shareholders and failed in their duty to protect them. But I state with confidence that the charge of mismanagement cannot be sustained against the agents of many well-established concerns. (*Mr. N. M. Joshi* : " What about others ?"). Very well, I do not like to be disturbed by any Honourable Member of this House. The names of Currimbhoy Ebrahim, Morarji Gokuldas, Wadias and Tatas are synonymous with honesty, industry and sound management, and if you look to the big reserves which the mills like the Bombay Dyeing, Century, Fazulbhoy, Sholapur and Morarji, Central India and Swadeshi Mills have built up—I have got all these with me but I do not want to waste the time of the House by quoting from them—you will have to admit that they have shewn results which compare most favourably even with thriving concerns built up in Europe by well-organized and efficient labour and huge capital. Personally, I have condemned the agency system but it is there and you cannot replace it. The agency system, in spite of its apparent inherent defect, alone has prevented a financial crisis by arranging to finance their concerns in such abnormal times of depression. No Managing Director would have been able to find the capital to run the mills and obtain loans for their heavy stocks of goods which have now accumulated and it is wrong to attempt to produce a feeling of want of public confidence in them by condemning their management. But the mill agents are not mill-owners. The agents are more or less a permanent fixture, the latter are changing from time to time and it is this class of millowners or small shareholders who are absolutely ruined, having bought their share in the boom time. Some of these shares are now mere scraps of paper. There is distress and consequent discontent among thousands of people—loyal, law-abiding people, who have been reduced to penury as their holdings have either enormously depreciated or their values almost wiped out. Then with the distressing conditions of labour in the background, the harrowing picture of misery is complete but it is in no way overdrawn. It is said by some Government critics that the industry is not in danger as a whole but only a few mills are being driven towards liquidation. This opinion is diametrically opposed to real facts. Out of eighty mills about forty are on the verge of ruin ; about twenty are able to pull through ; and the remaining twenty owing to their large reserves are able to declare dividends ; but they are being driven into the vortex of difficulty by those that are badly off. The liquidation of even a few must affect even the soundest concern and I am surprised how this danger has escaped the minds of the critics. The failure of a few mills will affect the remaining sound concerns as well.

To my mind the Government have no idea of the loss of credit they bring upon themselves when they admit that the tax is wrong, that the industry is in a trough wave of

depression but that they will only remove it when the finances permit. If there is a will there is a way, and as my friend Sir Purshotamdas has said, if Government have the will they will find the money. If not let them beg, borrow or steal. (*The Honourable Sir Basil Blackett:* " I leave that to Sir Purshotamdas.") (Laughter.) The first principle of taxation is that it should be levied with the consent of the people and the Legislature and that all classes should contribute according to their capacity. In India only the cotton industry, which is a national industry, is penalised irrespective of the economic consequences in the present state of its depression from which it is not likely to recover in our time. This industry had paid more money to Government than the actual capital invested in the enterprise. During the war it supplied the standard cloth to the poor at a rate fixed by the Government; it paid the excess profit tax and is still paying super-tax. It invested its reserves in war bonds and other Government loans. It is to-day treated by the Government in a step-motherly fashion. I do not know why the wrath of the gods sitting on the Olympian heights of Simla have descended upon my Presidency in general and the textile industry in particular.

It is true that the textile industry throughout the world experience difficulties but there are special factors and preventible causes in India, which deepen the depression, increase the losses and cripple the industry. It is within the means and power of the Government of India to remove those grievances. The first is the excise duty; the second Japanese competition aided by its depreciated currency, unrestricted hours of labour and Government protection. The third is a high rate of interest prevailing in India throughout the busy season for trade, and fourth is the lack of credit, which is responsible for the loss of business in India, and last but not least the high exchange which gives an advantage of over 12 per cent. to foreign importers. If we had a national Government, these causes, I dare say, would have been removed in no time. Herein lies the disadvantage of a foreign Government though that Government may be good. I agree with my friend Sir Purshotamdas Thakurdas that our commercial and industrial interests can never be adequately protected unless we have a Government responsible to the Indian Legislature. Sir, if this state of things were happening in England and Government were defying public opinion and the Parliament, that Government would not have survived in England even for a day. But here, Sir, we are helpless. Only yesterday a Bill was carried to protect an industry at the point of the bayonet, and here, Sir, we have been crying for the last 30 years, we have been crying ourselves hoarse, we have been crying in the wilderness, simply because the Government refuse to come to the help of this industry.

I will not say that in continuing to levy an unfair tax on an already crippled industry Government are showing a melancholy meanness. I will put it in this way that Government are attempting to draw water from a squeezed sponge and that they want to build up their finances on the ruin of a national industry.

MR. PRESIDENT: The Honourable Member will now bring his remarks to a close.

MR. N. M. DUMASIA: This industry has supplied in the past golden eggs to the Government Exchequer. Please do not kill the milch cow. The excise is an admitted wrong. It is not heroic to persist in an admitted wrong. It is not statesmanship to put all the burden on one industry. The high prices of cloth have increased the Government revenue while it has brought corresponding heavy losses to the industry. The profits of mills are in inverse ratio to the gains of the Government. This reminds me of the Indian proverb which my Honourable friend Sir Henry Stanyon quoted the other day "*Kissi ka ghar jalle koi tape.*" This, I believe, is an apt description of the unreasonable and unfair attitude adopted by the Government. How long is this injustice going to last? We had learnt in our school days that there was no word like impossibility in the dictionary of English statesmen. I can never believe that the word exists in the dictionary of our able Finance Minister who has had the good fortune of turning successive deficits into surpluses. We were further taught that justice is the key-note of the foundation of the British Empire in India and that once John Bull was convinced of the justice of a cause he would make it his own. My Honourable friend Sir Basil Blackett has admitted that the tax is wrong. Will he make the cause his own now or will he drive us to the irresistible belief that the word " Justice " has disappeared from the Englishmen's dictionary or that it has changed its meaning? Finally I appeal to the Government with all the earnestness at my command to justify our robust faith in

British liberalism and British justice by removing a grave injustice and a cruel wrong from which a great industry has been suffering for over 30 years and is now being crushed finally under its weight. With these remarks I strongly support the motion of my Honourable friend.

REV. DR. E. M. MACPHAIL (Madras: European): I feel in some difficulty this afternoon in connection with this motion because I have all along disapproved of the cotton excise. (*Honourable Members:* "Speak up.") I came out to India in the good old days when there were no import duties and no income-tax and the rupee was over 1*s.* 6*d.* I remember quite well the time when the cotton duties were first spoken of. The Government at Home would not allow the Government here to charge duties upon cotton at all. I think it was in 1893 when Lord Wolverhampton, then Sir Henry Fowler, was Secretary of State for India—I think it was then that the Government were allowed to bring in the cotton duties on condition that they put a countervailing excise duty on higher counts. If I remember aright, that was the time. Later on the Government here were allowed to raise the cotton duty without a corresponding countervailing duty being put on. Consequently now the tax is one purely for revenue. It is now not really a countervailing duty to any extent at all. Now, what I disapproved of in regard to the imposition of that tax was this. Though I was a free trader, I felt it was not right for the Government at Home under pressure from certain members of a political party in Parliament, representing a particular industrial interest, to compel people to accept free trade who do not want it. That was the feeling I had at the time, and the lesson I draw from that is that it is extremely undesirable to mix up industry and politics. I think it is one of the great dangers, if you adopt a protective policy in this country, that you will have any amount of log-rolling and that people in different industries will combine for the purpose of getting as much out of the national exchequer, and ultimately from the consumer, as possible. Another point to which I should like to draw the attention of Sir Purshotamdas Thakurdas is the fact that the reason why this cotton duty had to be imposed and why the excise was imposed was the fall in exchange. As exchange came down, the Government of India had more and more to get revenue from other sources and the only way that it was able to get revenue was by putting on import duties and raising these from time to time as the rupee kept falling. The rupee went on, as you know, falling until the mints were closed in 1893. From that time somehow or other 1*s.* 4*d.* has come to be regarded by some as a sacred number. I do not mean to detain the House, but what I want to say in connection with my difficulties is that while I wish to see this excise duty go I want to know where the money is going to come from, that we are to get in Madras. I have learnt since I came to this House that every province must look after its own interests. Now we in Madras feel very strongly that we have been very hardly used. We protested against the Meston Award unanimously in the Legislative Council.

MR. N. M. JOSHI: You got a lot of money last year.

REV. DR. E. M. MACPHAIL: Not nearly so much as we ought to have got. We protested against the original Meston Award saying that we had been treated unfairly even then. But we have only received a mere fraction of what was awarded and we consider in Madras that we have been the milch cow for the rest of India. I find that my Honourable friend Mr. Dumasia approves of this because he says "Get it if you can even by stealing." We in Madras do not want to be robbed in order that the Bombay mill-owners or that other mill-owners may make something more. Now, I should be much happier in my mind when voting for this Resolution if I were quite sure that things were so very bad as they are represented to be. We have not yet felt the pinch in Madras.

MR. N. M. DUMASIA: You are very happy there.

REV. DR. E. M. MACPHAIL: We are very happy there in Madras. We have not yet felt the pinch. Sir Purshotamdas Thakurdas prophesied that it is coming. I hope that he is a false prophet. What I do feel is that until we know where we are going to get the money from, I am inclined not to support this motion, although I am strongly in favour of getting rid of the cotton excise as soon as we can. The constant way in which people ask Government to remit taxes without telling them how they are going to get the money reminds me of what a friend of mine, who was a student along with me, told me.

PANDIT SHAMLAL NEHRU: Put a heavy duty on foreign liquor.

REV. DR. E. M. MACPHAIL: He had to write a discourse which was supposed to be of a popular nature and when he read it, the professor objected to the expression "concrete illustration" and said that it was not one which would be understood by the common man in the Church. Then the professor went on to say "I would say" and he paused. He went: "I would say, I would say . . . . something else" and that was the amount of help he gave to the student. He was not able to supply any other term which the student could use in place of the term that had been criticised. Now, until some one shows me, unless I can get some assurance, that we in Madras are not going to be deprived of what we have received so far, I shall not vote for this Resolution with any great enthusiasm, although I confess that all my instincts are in the direction of supporting the proposition that has been brought forward by Sir Purshotamdas Thakurdas.

MR. N. M. JOSHI (Nominated Labour Interests): On account of the difficult position in which the mill industry as well as the workers in the mill industry find themselves to-day, I ask for your indulgence, Sir, and I ask for the indulgence of this House when I make a few remarks on this subject. At the very outset I express my approval of the Resolution which the Honourable Member for the Indian Merchants' Chamber and Bureau has moved, but, Sir, although I approve of his Resolution I do not approve of the diagnosis of the situation which he has placed before this House. In the first place I do not think he has placed before this House the real causes and the most important causes of the present situation and in the second place I do not think the remedies which the millowners in Bombay have taken to meet this situation are also the right remedies which they ought to have taken. It has been said that the present situation in the Bombay mill industry is due to the cotton excise duty. I have made it clear that I am against the cotton excise duty; but, Sir, I do not know how if the cotton excise duty did not exist and if the import duty had not been eleven per cent., but was 7½ per cent. there would have been any difference in the present situation to-day. After all therefore the cotton excise duty is not the sole cause of the present situation in the mill industry. Then, Sir, much was made of the Japanese competition. As a matter of fact recently at Geneva I initiated a discussion on the labour conditions in India and the labour conditions in Japan and the inter-relation between the two. But, Sir, I believe people exaggerate the effect of the Japanese competition. If in certain respects labour conditions in Japan are worse than those in India, in certain other respects the labour conditions are much better. If the Japanese mills work longer hours than in India, Japanese wages are nearly double our wages. So naturally our industrialists here have got some advantage. And moreover what is the Japanese competition after all? Japan imports into India not even two per cent. of the yarn which we produce here. Japan imports into India not more than 5 per cent. of the cloth we produce here. After all this Japanese competition is not therefore a very appreciable cause of the present situation of the mill industry in India. The same thing holds good about exchange. The present high exchange is not favourable to certain industries in India but at the same time the high exchange gives certain advantages to some other trades. Therefore when we mention these causes we must really go into the root of this question and make inquiries and find out how far these causes have really brought about the present position in the mill industry and the first and foremost is the very system on which the mill industry in Bombay and certain other trades is based. It is the agency system. Mr. Dumasia said that there is nothing wrong in the agency system which has been working for a number of years.

MR. N. M. DUMASIA: I did not say so.

MR. N. M. JOSHI: I am glad to hear that he did not say so. Here is a system in which a man becomes the chief man in the cotton industry simply because he is born of his father. Though he may not be fit for it, he becomes the real manager of the concern. Mr. Dumasia says that they have got expert managers. There may be expert managements, but who controls them? The son of an agent becomes the controller simply because he is the son of his father. Then, Sir, there is another evil in this agency system. The agent is the really responsible man for the management of a concern. But he gets his commission on the production irrespective of the fact that he mismanages the concern. Now this system of the agent's commission being based on production is a very wrong system. If there is any man

in the concern who should take the responsibility, it is he ; but he shirks the responsibility, he takes his commission on the production, while, when there are losses, it is the wage-earners in the industry who are made responsible for the losses.

MR. KASTURBHAI LALBHAI: May I know, Sir, how many mills take their commission on production ? Does the Honourable Member know that ?

MR. N. M. JOSHI: I know there are agents who are receiving commission on production. I challenge my Honourable friend to say that there are no mills working on this basis.

MR. KASTURBHAI LALBHAI: I definitely say, Sir, that there are not more than two or three mills out of 84 mills in Bombay which take their commission on production. (*An Honourable Member:* "Only a couple.") (*Other Honourable Members:* "Withdraw, withdraw.")

MR. N. M. JOSHI: Sir, I am not going to withdraw. The present situation has arisen out of the past. You must remember that—the present situation is due to your past conduct. (*An Honourable Member:* "What logic ?")

Then, Sir, there are other difficulties in the present situation—for instance, the overhead charges. A large number of mills in Bombay are employing now a too highly-paid European staff, although the industry has existed for more than fifty years. As long as you employ such highly-paid European staff, certainly you will make some losses. We talk of Indianization, Sir, as far as the Government Departments are concerned. But what about the Indianization of the industry which is mainly Indian ?

SIR PURSHOTAMDAS THAKURDAS: I am sorry to interrupt the Honourable Member, but I must warn him that he is giving a very misleading picture here. If there is any industry where Indianization has been carried out, it is in the cotton mills of Bombay and Ahmedabad.

MR. N. M. JOSHI: I also know much about many factories in Bombay, and I can say this, that I know full well one firm which manages about 12 factories to-day, and I know that at least 11 of them have European managers. Therefore, your overhead charges are very large. Reduce them.

SIR PURSHOTAMDAS THAKURDAS: What is the percentage of these to the total mills now ?

MR. N. M. JOSHI: I cannot say offhand. But many mill-owners have admitted that their machinery has grown old—they made huge profits during the war and are closing their mills now. The situation is due to the fact that they were not prudent. They did not save money to renew machinery. There were several factors, for instance, over-capitalization. A mill which was worth about 6 lakhs before the war was sold for 35 lakhs, and now that the company is not prosperous—I do not want to give any names—the mill has to pay interest charges on 35 lakhs. Another mill worth about 25 lakhs before the war was sold for Rs. 1 crore and 50 lakhs. Another mill worth 3 lakhs was sold for 60 lakhs. Now they have to bear heavy interest charges. Certainly this is a matter which requires to be inquired into. Then, Sir, the mill industry made huge profits during the war amounting to 36 crores. What did the millowners do to create an industry for making their own mill stores ? Nothing. They talk of Swadeshism and protecting our industries. With 36 crores of rupees in their hands, I am quite sure they should have been able to make all their stores in India. I will ask another question. After all, if the Japanese compete with us and if the English compete with us, their labour is trained. What have the Bombay millowners done to train their labour ? There is only one college, the Victoria Technical Institute. Who attend that college ? The sons of people who want their sons to become weaving masters and spinning masters and managers. What has the Bombay mill industry done to train the ordinary millhand ? You go to England and see what is being done there.

PANDIT SHAMLAL NEHRU: What have you done ?

MR. N. M. JOSHI: I am doing something.

MR. PRESIDENT: I have allowed the Honourable Member to go on, but he must remember that the issue before the House is a very narrow one. Perhaps the Honourable Member was not in the House when I explained that Honourable Members should confine themselves to the one issue, namely, the suspension of the cotton excise duty for this year and not go into other matters.

MR. N. M. JOSHI: Sir, I do not propose to go into other matters very long, but I may just mention some causes which have produced the present situation. . . .

MR. PRESIDENT: The Honourable Member should discuss reasons for or against the question that is before the House.

MR. N. M. JOSHI: That is what I am doing, Sir. I am trying to meet some of the arguments placed before the House by some of my friends.

MR. PRESIDENT: If the Honourable Member continues to argue in that strain, I shall have to stop him from continuing.

MR. N. M. JOSHI: I am not doing that, Sir. Now the present situation is due to the incompetence of the Bombay millowners. The very fact that they have now tried to meet the situation, difficult as it is, by reducing the wages of the workers in Bombay shows their incompetence.

MR. PRESIDENT: The Honourable Member must understand what the question before the House is. The question is whether the cotton excise duty should be suspended for the year 1925 or not. That is the sole question. The question of the competence or incompetence of the millowners is not at all relevant.

MR. N. M. JOSHI: I am just trying to meet some of the arguments given by my Honourable friend.

MR. PRESIDENT: If the Honourable Member thinks that other Members have introduced irrelevant matters in their speeches and therefore he is also entitled to do so by way of reply, he is very much mistaken. I have made it clear more than once that I will not allow the discussion on this Resolution to drift into questions outside its scope.

MR. N. M. JOSHI: I bow to your decision, Sir. My attitude is this, that the suspension of the excise duty asked for will not be a cure for the present situation but a better cure for the present situation is an inquiry into the present situation itself. I was driven to the argument that the millowners are incompetent and cannot manage their industries well, and the reason given by me was that they have tried to meet the situation by reducing wages; and on that point, Sir, I will only read one small quotation—with your indulgence—and that will sum up my whole point. The quotation is not from a labour man but from Mr. Henry Ford, one of the largest industrialists in the world:—

> "Cutting wages is the easiest and most slovenly way to handle a situation, not to speak of its being an inhuman way. It is in fact throwing upon labour the incompetency of the managers of the business. If we meet with a depression, that is a challenge to every manufacturer to put his brains into the business, to overcome by management what other people try to overcome by wage reduction. To tamper with wages before all else is changed is to evade the real issue; and if the real issue is tackled first, no reduction of wages may be necessary. That has been my experience. The immediate practical point is that in the process of adjustment someone will have to take the loss, and who can take the loss except those who have something which they can afford to lose? But the expression 'take a loss' is rather misleading. Really no loss is taken at all. It is only giving up of a certain part of the past profit in order to gain more in the future."

My point is this. If the present situation is to be relieved, it cannot be relieved by removing the cotton excise duty. Let the cotton excise duty be suspended ; I am in favour of it. But let the millowners withdraw their notices about reduction of wages, because the notices show their incompetence according to Henry Ford. And, secondly, I request Government to make an inquiry into the whole situation of this industry. We all want this biggest industry of our country to be put upon a sound basis. I want it to be placed upon a sound basis even in the narrower interest of the working classes of Bombay. Sir, to-day . . . .

MR. PRESIDENT: The Honourable Member has exceeded his time limit. (Mr. N. M. Joshi began to say something.) Order, Order. Your time is up.

THE HONOURABLE SIR BASIL BLACKETT (Finance Member): Sir, you have ruled—and quite naturally—that the discussion on this Resolution must be confined to the question of the suspension of the duty. I shall find it a little difficult fully to comply with your ruling, though I shall do my very best, because my whole case is that it is a distinction without a difference. Suspension of the excise duty now means nothing else than abolition of the excise duty as from now. These is no distinction possible between the two. The Honourable Mover of this Resolution did not make any very definite attempt to show that the two were distinct and he let it be seen clearly in parts of his arguments that he was only calling it suspension, because he was not allowed by you to call it abolition.

SIR PURSHOTAMDAS THAKURDAS: My Resolution calls it suspension only, Sir.

THE HONOURABLE SIR BASIL BLACKETT: The Resolution calls it suspension in order to come within the rules of the House and I say that suspension and abolition are exactly the same things. It is pure waste of time to use the four extra letters 'susp'. The word should be " end." If you want to hang this thing up, it is kinder to it and to everyone to hang it up for good and all.

SIR PURSHOTAMDAS THAKURDAS: It is high time you did it.

THE HONOURABLE SIR BASIL BLACKETT: I am afraid I must ask the House to follow me in an argument to show that you cannot distinguish between abolition and suspension. The Resolution can have no. . . . .

PANDIT MADAN MOHAN MALAVIYA (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): May I ask the Honourable Member, Sir, to assume that the House accepts his view and tell us why it should not be done ?

THE HONOURABLE SIR BASIL BLACKETT: I think I shall be out of order, Sir, if I argue why the duty should not be abolished as from now. Let us look at the position which must arise. Supposing the Government were to accept this Resolution, as from now onwards for the rest of the financial year the duty would not be collected, but it would be part of the hypothesis that the Government would have to begin to collect the duty again on the 1st of April, 1926. First of all, perhaps not the most important objection, we would have a staff costing about Rs. 70,000 to Rs. 80,000 a year entirely unemployed. We might possibly find a little use for some of them in other directions, but broadly speaking we should have to pay the whole of that staff for doing nothing for six months, because *ex hypothesi* it has got to be employed again on the 1st of April.

Now, what about the financial position ? I have not heard any figure mentioned so far, but my estimate of the loss in the current year of duty would be between Rs. 80 and Rs. 90 lakhs. We should lose that in the current year. So far as the yield of the duty in the current year is concerned, that is the amount of loss, but that is not the end of it. I think it was Mr. Dumasia who said that there were Rs. 12 crores worth of stock at present unissued. Now, the duty is payable not at the moment of production in Bombay, but at the moment of issue from the mill. The millowners would take very great care, being the wise men they are, even if Mr. Joshi is right, as I believe he is right, in some of his criticisms, the millowners would take very great care that there were no stocks of any kind unissued on the 1st of April, 1926. We should therefore lose the duty not merely on the production between

now and the 1st of April, 1926, but also on the whole of the amount now in stock. I estimate that the extra duty will at least be a further Rs. 50 lakhs. This would mean a loss of Rs. 50 lakhs in the Budget of next year. Now, look at the position of the mills. They are suffering, among other things, from over-production. Their difficulty is to get rid of their stocks. Here you propose for six months to suspend the collection of duty. You give them a direct incentive to produce as much as possible in the next six months and close down on the 1st of April. Is that good for any industry ? It is obviously most undesirable from the point of view of the industry itself and it will be a very unkind thing from the point of view of the industry to suspend this duty just for six months if you intend to impose it again on the 1st April.

I pass for a moment to the question of the cost on this year's Budget. Sir Purshotamdas said, or rather it was well said for him, that we could easily beg, borrow or steal from other quarters in order to find money with which to get rid of the excise duty.

SIR PURSHOTAMDAS THAKURDAS: Sir, I should like to be reminded as to who said it for me.

THE HONOURABLE SIR BASIL BLACKETT: Mr. Dumasia said that. He put Sir Purshotamdas' more elegant language into something nearer the truth.

SIR PURSHOTAMDAS THAKURDAS: Is that the Finance Member's construction or did Mr. Dumasia say he was speaking for me ?

THE HONOURABLE SIR BASIL BLACKETT: If the Honourable Member had had the courtesy to be present and listen to and follow Mr. Dumasia's speech, it would not have been necessary to ask this question. The proposal is that I should beg. I am not sure whether I have got to beg from Madras ; I have got to borrow from capital large sums to spend on revenue and I have got to steal from the sinking fund. I have no doubt that I should be capable of doing it for the Honourable Member if he really employed me for that purpose, but he will have to wait until he gets his representative Government before he gets anybody to do that. I cannot find this money except out of the Budget of the year. I must assume that the Budget as it stands is the Budget for the year. We do not yet know how the year is going to turn out. It is true that so far we have had a fairly good monsoon and if we get some rain in the next fortnight in Northern India, it may be a very good monsoon. But as things stand, we really know no more than we knew at the moment when we introduced the Budget, except that we have not got a thoroughly bad monsoon. So far as I have been able to study the estimates from the results of the first four months, I see no reason to modify in any large direction the estimate that was made at the time when the Budget was introduced. It is true that as the result of action taken by this House yesterday, there is a possibility of an addition of 17 lakhs to the apparent surplus. I should like to take this opportunity of informing the House that, provided the Standing Orders can be suspended, we propose to introduce a supplementary estimate to-morrow to charge that sum to capital. Mr. Jamnadas Mehta will perhaps no longer accuse me of not having a heart in view of this evidence of change of heart.

MR. JAMNADAS M. MEHTA: That is some consolation.

THE HONOURABLE SIR BASIL BLACKETT: Now, the position, therefore, is that we see no reason to suppose on the figures before us that we should be safe in doing without this amount of revenue for the rest of the year. We should run a very serious risk of bringing to an end the period of budget surplus which began with 1923-24. I submit that that in itself would be most undesirable. But, quite apart from that, we are trenching to the extent of something like 50 lakhs on next year's revenue even if we only suspend. And, in view of the facts that I have put before the House, I think it is perfectly obvious that the acceptance of this motion to-day must necessarily mean the abolition of the duty as from now. So that we should be short next year not of 50 lakhs only but of 2 crores of what we are at present entitled to count as part of our revenue. I do not say either that I guarantee the House against the risk of the good fortune of having a surplus this year or that I guarantee the

House against the risk of our having a surplus amounting to 2 crores next year. I should, however, like to draw the attention of the House and of the Bombay Members who have been pressing for this suspension . . . .

MR. JAMNADAS M. MEHTA: The whole House is pressing for this.

THE HONOURABLE SIR BASIL BLACKETT: That remains to be seen. I would draw the attention of the Bombay Members who have been pressing for the suspension of this duty that the question could not possibly have arisen at all if exchange had been at 1s. 4*d*. If, as some of them hope, exchange is to be at 1s. 4*d*. next year, we have to start the Budget with an apparent deficit of 3½ crores approximately, simply as a result of the exchange being at 1s. 4*d*. I do not know which they will prefer. But it is quite obvious that this is not the moment at which we can consider the abolition of the duty unless we do so in entire disregard of the financial situation and of the financial possibilities. Whether we have a surplus or not next year, lies on the knees of the gods. If we have such a surplus, the question will arise how it is to be used and my friend Dr. Macphail's problem has to be answered. Are we going to use it for the reduction of the cotton excise duty or for other purposes? Therefore, it is perfectly clear that the Honourable Member who moves this motion moves it in this form because he cannot move it, under the laws of the House, in any other form. But this motion means nothing else than the immediate abolition of the duty. Let me just put again the position of the millowners. Supposing we were to agree to suspend this duty with a clear understanding that it was expected to be reimposed on the 1st of April. They would say—I think quite rightly—when it came to March: "You assisted us a little bit in our difficulties. You have given us some little temporary relief and now you propose to come back and hit us again. It will be the last straw if you reimpose the duty now." I put it to the House that neither the House nor the Government could conceivably, however serious our financial situation might be short of a real calamity, reimpose this duty next April if they suspend it now.

Now, if the Honourable Mover means anything by this motion that is really temporary, I suggest that what he is asking is that this House should give a subsidy to the cotton mill industry—that it should give a subsidy the amount of which would be approximately the amount that we might expect to collect from the cotton excise duty, say 130 or 140 lakhs. This is a proposal to give a subsidy of about 140 lakhs to the mill industry in view of its difficult situation. If the emergency is such as to require that that industry should receive a subsidy, I submit that the only proper way to approach the question would be to ask the House to vote such a subsidy direct and not to get at it by these indirect means. Just look what this indirect means involves. It has already been pointed out that the mills in the Carnatic do not suffer at present from the excise duty. I notice that one mill there recently paid 10 per cent. *interim* dividend. This suspension of the excise duty would go to assist that mill just as much as the mills in Bombay, where the situation is certainly very difficult. The mills in Cawnpore would equally receive the benefit of this subsidy if given in this roundabout form. They admittedly do not require it and they do not certainly require it even to the extent that the mills in Ahmedabad, where the situation is difficult, do feel some need for assistance. I say, therefore, that if we were going to deal with the situation in any way on the lines suggested by the Mover, it ought to be dealt with by means of a subsidy. I do not for a moment desire to suggest to the House that the situation is so grave as to require the very heroic measure of a subsidy.

I have seen comparisons made between the situation in India and the situation in respect to the coal industry in Great Britain. And it has been suggested that if Great Britain could afford to have a crisis grave enough for a subsidy, why not India also? I do not think anybody would suggest that the situation here is at all comparable to the situation that arose in Great Britain, when you had a grave emergency which threatened the whole of the fabric of the industrial life of Great Britain. Nor do I think anybody would suggest that special subsidy to an industry of that sort is a precedent which we should be in a hurry to follow. It was obviously a temporary and a dangerous expedient adopted in a grave emergency and our attitude towards it ought surely to be that we should thank God that Providence has put us in such a position that we do not require to follow that undesirable precedent.

Now, thus far I have dealt with the question of suspension and I have tried to prove that it is absolutely equivalent to abolition. The Government could not take a decision of this House to-day in favour of the Resolution as being other than an expression of the view of this House that the excise duty ought to be abolished forthwith without reference to financial considerations and without reference to any of the other claimants on any possible budget surplus : and they would naturally be guided by the results of such a decision in any consideration that they might give to the position that will arise next March when the Budget is under consideration. I hope I have convinced the House that suspension and abolition are identical. I will try, Sir, to keep within your ruling by continuing my argument in a slightly cryptic form. The effect of this Resolution would be that we give up the duty irrespective of our budget position. I should like to quote the words of His Excellency the Viceroy which have already been mentioned by the Mover in regard to this proposal that in the middle of the financial year we should act as is suggested :—

> " I recognise the strength of your plea and my Government have again considered most carefully whether we could not meet you in this matter. It is with real regret that I have to inform you that we have come to the conclusion that we cannot grant the request. I hardly think indeed that you have realised what that request means. You ask us to take action now in the middle of the financial year before the year has fully declared itself and before the commitments and the prospects of the next year are fully known. You suggest that at a time of this uncertainty the Government should remit a source of revenue which brings us in 2 crores. It is only in the most exceptional circumstance, exceptional to a degree which it is difficult to envisage, that a Government would be justified in adopting such a course. The time for taking stock of prospects is the time of the preparation of the Budget. Then and then only can a proper estimate be made of future prospects of revenue and charges. This decision indicates no lack of sympathy with the industry, no want of will to help it in its difficulty and no lack of desire to see the removal of the excise duty."

But he continues, this is based obviously on financial considerations.

Now I would put it to the House that one of the great advantages that have accrued from the Reforms of 1921 has been the fact that very much greater attention has been paid to the figures of the annual Budget. It has become, what it was not always before, a recognised objection to a proposal that it was brought up in the middle of the year and was not brought up at the proper moment in connection with the Budget. The Public Accounts Committee and the Standing Finance Committee have been setting their faces against any proposals, unless they are absolutely unavoidable, made in the course of the year, and the importance of sticking strictly to the financial programme has been impressed upon everyone. I had occasion just the other day to tell my Honourable friend, Pandit Madan Mohan Malaviya, that the middle of the year was not a moment at which I could reasonably take up the question of an increased grant to the Benares Hindu University, and that the matter must be taken up at the next Budget. I had to say much the same to Sir Hari Singh Gour with regard to the Delhi University and to Dr. Ziauddin with regard to the Aligarh University. The right time to come before this House and before Government for this sort of thing is the time of the Budget, and I may add that it is a doctrine that is absolutely essential to the proper working of the Finance Department. Otherwise the position of the Finance Department would quickly become intolerable. I would refer, for example, to the Army Budget. What would be our position if it were not strictly recognised that new proposals must come up in connection with a new Budget ?

The speech which has been quoted from more than once of His Excellency the Viceroy, in regard to this question, really covers the whole of the ground. He repeated in very solemn terms the pledge that has very frequently been made with reference to the cotton excise duty. He stated that the Government of India had every intention of getting rid of this duty as soon as financial considerations permitted. He did not even stop to justify the tax against some of the accusations that were made against it. Sir Purshotamdas Thakurdas has made one or two of such accusations again to-day, and also Mr. Dumasia. Sir Purshotamdas Thakurdas said that the tax originally represented only 3½ per cent. but had now become 8½ of the cost of production. He does not, I think, suggest, that the tax has increased beyond

3½ per cent. of the cost of production including raw material. It started by being 3½ per cent. and it is still 3½ per cent. of the cost including raw material. In so far as there is protection in the case of the cotton duties exactly the same applies to the 11 per cent. import duty. The protection that the cotton mill industry gets in this country is 7½ per cent., and I have never heard them say that that protection has been doubled because prices have doubled. That is what his argument amounted to. Sir Purshotamdas Thakurdas also had something to say about the buying power of the people being reduced. I would ask him, if the buying power of the people has been so enormously reduced, how is it then that they imported 90 crores worth of precious metals in the last year ? The obvious reason why they did it was because Sir Purshotamdas Thakurdas's piece-goods were too expensive and cotton was too high. It does not for a moment show that the buying power was less, but it shows that the people were unwilling to buy cotton goods in such quantities as they might otherwise have done, owing to the high price of cotton. Attacks have also been made on the cotton excise duty as being a capital levy. It is what it calls itself an excise duty. It was originally a countervailing duty. It is now an excise duty which does not in any way act as a countervailing duty as compared with the 11 per cent. duty on imports. It is said that it has no precedents. I would remind the House that only in this very year in the British Budget there has been introduced an excise duty on artificial silk which is exactly comparable to this excise duty, with this exception that that is a countervailing duty and this is not.

I do not want to defend the cotton excise duty from attacks which are justified against it, but I do feel that it is necessary to say something in reply to the accusations that are frequently made against it of being an unheard of abominable tax. It is a tax which I think everyone in this House desires to see disappear at the very earliest possible moment, because it has a very bad history. I yield to none in the desire to see it go at the earliest possible moment, but it must I think go with reference to our financial position. It cannot go simply because there is temporary difficulty in the cotton mill industry.

It is not suggested that the suspension or abolition of the cotton excise duty would be anything more than a temporary and very slight palliative for the difficulties in which the cotton industry finds itself in Bombay and Ahmedabad. It would not in any way get to the root of those difficulties. That was admitted quite freely by speakers in this House arguing in favour of the disappearance of this tax six months ago. It is quite obvious that the difficulties are very much bigger and more serious and that they cannot be even touched simply by a reduction of the excise duty.

As regards the question of examination into the industry, I may remind Mr. Joshi that the millowners were asked when they visited His Excellency the Viceroy to express their views on the subject of an immediate inquiry by the Tariff Board into the extent to which the industry requires protection, and that is really the question that does very much want looking into. The question is to what extent does the industry require protection. Is it protected sufficiently or too much or too little at the present time ? Does it require special protection against competition from special quarters ?

MR. CHAMAN LALL: May I ask the Honourable Member whether he is prepared to announce an inquiry of that kind now ?

THE HONOURABLE SIR BASIL BLACKETT: I am not in a position to make any announcement on the subject, but it must be remembered that the millowners were asked whether they would like such an inquiry on the 24th August. No reply has been received.

I am not quite sure why a reply has not been received, but it does seem to the Government that that would be the proper way to advance towards a solution of the difficulties for which this motion offers a quite unacceptable palliative, which would obviously not put the industry in a position to stand a reimposition of the duty six months hence if it cannot stand it to-day. . . . . .

MR. CHAMAN LALL: I do not wish to interrupt the Honourable Member again, but is he aware that we, in the interests of the workers, want an inquiry ? Numbers have gone on strike already.

THE HONOURABLE SIR BASIL BLACKETT: It would in no way assist the distribution by way of subsidy (which this suspension would really involve) at all evenly among those who have to be helped. Obviously this is not a solution of the difficulty; obviously this is not the way to reach our immediate object, to try and arrive at a solution, by the indirect method of suspension, which really means abolition. I submit that the House would be making a considerable mistake if it votes for this Resolution in the existing circumstances. It is not in possession of the facts; it is not in possession of the financial facts either of this year or next year on which it could come to a conclusion whether or not action such as is proposed in the Resolution is justified. It is not now considering the annual finances of the year and is not able to take into consideration the extent to which any surplus, if we are so lucky as to have a surplus, should be used in this direction or in some other direction. I would suggest to the House that the proper time for this discussion will be in connection with next year's Budget. We can then take all the facts of the case into consideration, and if the millowners have by then agreed to this inquiry, possibly the situation in regard to the cotton mill industry may be better known to the House. Let me in conclusion read the words that were used by His Excellency the Viceroy in answering the deputation. His last words were these:—

> "The whole question is as to the time when the Government of India will be able to redeem their pledge. I refuse even to discuss the question of the excise duty which has been raised by Mr. Wadia, because I regard it as a matter outside Lancashire, outside every consideration except the financial consideration of India."

And I should like to repeat what I said in this House six months ago, that the Secretary of State's attitude in regard to this matter is not in question. If the Government of India were of opinion that the time had come for abolition of the duty, there would be no question of any kind of intervention from London.

> "The pledge was made;"—*continued His Excellency*—"we are bound by the pledge; we stand by the pledge; we are most anxious to carry it out, and for myself,"—*said His Excellency*,—"I would be very glad if it came in my time, as the Finance Member said 'within his time' when it could be taken off. But it cannot be taken off at this moment, but only when financial considerations permit, and of course those are the con siderations that we have to consider."

I ask the House not to be led away by any other considerations in this matter than the consideration as to whether the moment has come at which we can completely get rid of this tax. If they vote for the suspension, the Government can only take it as a vote for immediate abolition, and naturally their decision on the facts, whatever they may be next March, will be guided by any vote of that sort. But I submit the House would be very much wiser, all things considered, if they were to adjourn this debate and take the whole question up again in March.

Several Honourable Members:—I move that the question may now be put.

MR. KASTURBHAI LALBHAI (Ahmedabad Millowners' Association: Indian Commerce): Sir, I find myself in rather a difficult position in speaking on a subject with which I am intimately connected because it has been discussed so threadbare that I can say hardly anything about it which this House does not know. Again, the Resolution being in the hands of such an able and prominent business man as Sir Purshotamdas Thakurdas, it needs very little from me to commend it to the House. Sir, Honourable Members are well aware that this is the fourth time this subject has come up for discussion in one form or another. It has been before the public for the last two years and over. As far as the general public and the elected representatives of the people are concerned, they have demanded in unmistakable terms the abolition of this obnoxious duty. The Government and their highly placed officials have not lacked in lip sympathy, but the time is passed when lip sympathy and pious hopes can alleviate the situation. This is the third successive year of depression in the textile trade, the like of which has been rarely experienced. Assisted by the reserves laid down in good years, the industry has withstood the losses of the past three years, but unfortunately it is not in a position to-day to draw on its past reserves any longer, and unless something is done now and immediately, it will receive a set-back from which it may not be easy to recover.

Sir, it is becoming more and more difficult to take the Government Members at their word. I am sorry to make this charge against the officials, but their consistent conduct leaves no choice to me but to level this charge and prove it. The Honourable Members are aware that during the last Simla session the Honourable the Commerce Member gave an assurance that he would examine the case of hosiery with regard to the cotton excise duties, and at that time he reserved his judgment on this issue. After allowing him one full year, I put the question whether he had arrived at any conclusions and the simple answer came forward "No." Another instance, Sir. It has been proved to the satisfaction of the Honourable the Commerce Member that, under the present system of tariff valuations almost all the Ahmedabad mills are made to pay 4¼ to 4½ per cent. of cotton excise duties. Last year I saw the Secretary, Commerce Department, and got a definite assurance from him that this would be set right at an early date. One full year has passed since then and nothing has been done in the matter. Sir, as will be seen from the duly certified accounts, the losses of the Bombay mills alone for the past three years amount to more than Rs. 6 crores. The stocks of piece-goods have gone up tremendously and after waiting for a year and over for Government assistance, Bombay millowners have been obliged to cut the wages of their workmen by about 11½ per cent., for which measure a good deal of criticism has been levelled against them. I crave the indulgence of the House to be permitted to explain the reasons which drove the millowners to adopt this course. . . . . .

MR. N. M. JOSHI: In other words incompetence.

MR. KASTURBHAI LALBHAI: The losses of the mills were rising and there was an urgent necessity to minimise them. Short time working would have meant a higher cut in wages and raising the cost of production. . . . . .

MR. CHAMAN LALL: Cut out your commissions.

MR. KASTURBHAI LALBHAI: I will deal with that in a minute. The competition from Japan has been assuming serious proportions and it was essential to reduce the price of piece-goods to the lowest level possible. Imports of Japanese yarn and piece-goods during the last three months, April to June, have been almost twice as large as the imports for the same period during the previous two years. Prices of Indian piece-goods had to be reduced by 25 to 30 per cent. during the last six months. This is borne out by the Government altering their tariff valuations accordingly; but there has been no similar reduction in the price of ready cotton or in the cost of manufacture. Sir, it has been said that we should have explored other avenues of economies instead of a cut in our workmen's wages. We should have reduced the salaries of the supervising staff and agents' commissions. Now may I inform the Honourable Members that the wages of the supervising staff do not amount to more than 6 or 7 per cent. of the total wage bill? Again, while the wages of workmen have been increased by 80 to 90 per cent. over the pre-war standard, the increase obtained by the supervising staff has not been more than 20 per cent.

MR. CHAMAN LALL: What is the total amount of the commission?

MR. KASTURBHAI LALBHAI: I am coming to that. Just wait for a minute. I may also be permitted to explain why it has not been possible to make reductions in other directions. In finding out the cost of cloth produced in our mills, we have got to take the following items into consideration—cost of cotton, mill stores, coal, interest, insurance, commission to selling agent, commission to managing agent, cotton excise duties and depreciation.

Now, Sir, we try and obtain the cotton at the best price prevailing, the commission allowed to purchasing agents being not more than ¾ per cent. or 1 per cent. Unfortunately, we have to purchase our mill stores from abroad at the ruling market price. I pleaded in vain during the last Delhi session for a reduction in freight on coal. In interest and insurance we cannot conceive of any economy. It will, therefore, be clear that the price of cotton, the cost of stores and the interest and insurance charges are factors beyond the control of the mill management. The only two items in which the management can effect economy are the commission of agents and the wages of labour. So far as the agents' commission is concerned, during the year 1924, out of 55 mills whose statements were available, ten mill agents did not charge a single pie for their remuneration, ...

MR. CHAMAN LALL: What about the others ?

MR. KASTURBHAI LALBHAI: . . . . . while 13 relinquished the major portion of their commission.

MR. CHAMAN LALL: What about the others ?

MR. KASTURBHAI LALBHAI: I have received statements only for 55 mills, and I am dealing with them.

MR. DEVAKI PRASAD SINHA: The rest ?

MR. KASTURBHAI LALBHAI: And still we are told, Sir, by the Honourable the Finance Member that the fault lies with the management and not with his managing the exchange.

It is a patent fact, Sir, that Indian industries have suffered more by the adverse exchange than anything else. But for it I doubt very much whether Japan would have succeeded in getting a hold over the Indian market as she has done. To-day, Sir, Indian industries are suffering hardships more because of the exchange policy of the Government of India than any other factor.

Sir, we have been accused that our management has not been efficient. In spite of the excise, in spite of heavy import duties on stores and high freights on coal and other disabilities, India has successfully established this great national industry. Here I have got the testimony of another authority, Mr. Clare Lees, Chairman of the Manchester Chamber of Commerce, who, after seeing some of our cotton mills in Bombay, observed that they are the best equipped mills he has ever seen and the Commerce Member is aware of this.

We have been also accused of having our mills over-capitalised. How baseless this accusation is will be found by anyone who cares to examine the balance sheets of some of them. Sir, when during the post-war boom 80 per cent. of the cotton spinning and weaving mills in England were recapitalised at three or four times the original value, I am glad to say that not more than 2 per cent. of our Indian mills were recapitalised.

We have been further accused of shirking an inquiry by the Tariff Board. Sir, it is entirely wrong. We had an inquiry by the Indian Fiscal Commission which unreservedly condemned the cotton excise duties and asked Government to clean the slate. I ask, have they done this ? If not, what is the meaning in multiplying inquiries unless these are meant to defer action and cloud the issue ? If Government really mean business, let them take off these repeatedly condemned duties and then if protection is asked for by the trade, there will be time for an inquiry.

MR. N. M. JOSHI: Where is the harm in an inquiry ?

MR. KASTURBHAI LALBHAI: Sir, much has been made of the phrase that the sympathetic and farsighted Viceroy, Lord Hardinge, used in 1916, namely, that " the cotton excise duties will be abolished as soon as the financial considerations permit." It is forgotten that he used this term during the stress of war and when there were innumerable calls on the finances of India. That term has been turned, twisted and paraphrased by the present authorities to suit their purpose. When recently the deputation of the Bombay and Ahmedabad millowners waited on His Excellency the Viceroy, he said that in the middle of the budget year the Government of India cannot come to our assistance. May I know, Sir, whether the same consideration weighed with the Government of India when they carried out the Lee loot, when they called an emergency meeting of the Legislature to give the steel industry protection, when they gave away £ 100,000,000 as contribution from India ? Sir, only recently, the British Government, in the middle of the budget year, did not hesitate to pay a subsidy of £ 10 millions to save the collieries and coal miners. In short, where there is a will there is a way.

Sir, I have been told that the Government have not been convinced of the exigencies of the situation. In reply I shall borrow the phrase of the leader of my party " that if the Government Members have no eyes to see, no ears to hear , no brains to realise the situation, how am I going to convince them ?" Sir, I support the motion of my Honourable friend Sir Purshotamdas Thakurdas.

SIR DARCY LINDSAY (Bengal: European): Sir, in spite of the red herring which my Honourable friend the Finance Member has drawn across the track of this Resolution, I propose to support it, and I hope some of my colleagues at least will join me. We consider it very necessary that the Government should be asked to extend a helping hand to this great national industry. The Finance Member tells the House that the remission of the duty now means its abolition in the next Budget. I am sure we hope it may be so. But if money is really not then available, I question whether the mill agents will feel as aggrieved as the Honourable Member seems to think. Why does he not put the position to them ? Are they willing and anxious to receive this remission now for the rest of the financial year on condition that if funds are not available, there can be no abolition next year ? I think that their answer would be a unanimous yes. When I was in Bombay a few weeks ago, I spent three days there and the present critical position of the industry, due largely to competition from abroad and the accumulation of stocks, was brought home very forcibly to me. We must unite, Sir, in giving such assistance as lies in our power to remedy what has become a dangerous situation. I do not think, Sir, it is denied by any one that the situation is now most dangerous. I do not propose to go over the old grounds as to the merits or the demerits of the excise duty. It is now admitted on all hands that the tax is a bad one and must go as soon as money is available. I am told that the immediate effect of a remission of this duty would be a reduction of ¾ anna in the price of cloth, and the hope is that this will materially help sales and reduce stocks to normal conditions. My Honourable friend Mr. Joshi informed the House that the excise duty is entirely responsible for the present position in which the industry is placed. But that is not by any means so. It is due to many other causes. It is not contended that this remission will entirely solve the situation. It must be left to the Tariff Board or the Tariff Inquiry Committee to look further into the question, but in the meantime the remission will give some measure of relief and help to remove the heavy clouds of despair that are now hanging over the industry. It was only yesterday that my Honourable friend Sir Charles Innes in his eloquent pleading for further protection for the steel industry told the House that Government decided to adopt a bold and generous measure and as a result stocks which a year ago were overhanging the position had been reduced to normal and the steel industry extricated from the serious position in which it was placed. It is this bold and generous measure that we ask the Honourable the Finance Member to adopt and give a helping hand to this national industry before it is too late, as I am assured it will be if we wait until next March. There is no use Dr. Blackett giving medicine after the patient is dead or past hope. I recognise it may be unsound finance to give relief in the middle of the financial year before we know whether there is likely to be a surplus of revenue over expenditure but desperate cases require desperate remedies. My Honourable friend Mr. Kasturbhai has made reference to the £ 10 millions given in the middle of the financial year by the Government at home, but let us come closer home. Did we not only yesterday give Rs. 18½ lakhs to the steel industry in the middle of the financial year, and where is the difference ? Surely what is sauce for the goose is sauce for the gander.

THE HONOURABLE SIR BASIL BLACKETT: That is provided for from the original budget surplus of Rs. 24 lakhs.

SIR DARCY LINDSAY: Reference has also been made to the Rs. 50 lakhs which we voted yesterday for expenditure on opium. Now, Sir, was there any real necessity to take this money out of revenue if the money was required and desperately required for other purposes ? I contend, Sir, that that money for the purchase of opium should be in suspense account and not charged to revenue. Then the Honourable the Finance Member has himself referred to the Rs 17 lakhs that was saved yesterday from revenue and is now going to be put to capital account. All this, Sir, goes to show that money can be found when wanted. We know, Sir, that there must be some surplus this year over the amount that the Honourable the Finance Member budgeted for owing to the rise in exchange alone. He budgeted at 1s. 6d. and exchange since then and at the present time is considerably higher. Then we have

the duty on steel. I believe there is an amount over and above what may be given as bounty to the steel industry. Then we passed a Bill only a few days ago to collect higher duty on paper. I take it that the Finance Department will receive extra money from that duty. I do not suggest that the Honourable the Finance Member can produce rupees from the air like the conjuror whom I noticed he was watching with some interest at a recent garden party. But if he will only admit that under very special circumstances relief may be given in the middle of a financial year, I believe he can find the money. What he is asked to do is to give up a possible collection of Rs. 80 or 90 lakhs. The Honourable Member went further than that and said it was really Rs. 130 lakhs owing to accumulation of stocks. Is he not an optimist in thinking that such an amount can be collected if he does not remove this excise duty? The great trouble in the industry is that the mills cannot sell the goods owing to the high prices. So, I very much question whether the sum of Rs. 130 lakhs he anticipates will ever reach him. It has often been said, Sir, in this House that the Resolution that are passed are not acted upon. I hope Government will rise to the occasion and see that so far as this particular Resolution is concerned the recommendation will be given effect to at the earliest possible moment. With these words I support the Resolution.

Several Honourable Members: I have that the question be now put.

THE HONOURABLE SIR CHARLES INNES (Commerce Member): I had not intended to intervene in this debate at all. Indeed, I had hoped that it would not be necessary for me to do so, but the speech of my Honourable friend Sir Darcy Lindsay has compelled me to make a few remarks.

In the first place he drew an analogy between the suspension proposed by my Honourable friend Sir Purshotamdas of the cotton excise duty and "the bold and generous stroke" which this House took last January in giving a bounty of Rs. 50 lakhs to the steel industry. Sir, I may point out to the Honourable Member that there is all the difference in the world between giving a grant of Rs. 50 lakhs to a single firm and giving a suspension of taxation amounting in all I understand to Rs. 100 lakhs—my Honourable friend on my right will correct me if I am wrong—to an industry which comprises well over 100 to 150 mills. The Honourable Member seems to think that this suspension will make all the difference to the cotton mill industry. I make bold to say that that statement is not correct. I doubt very much whether a suspension of this cotton excise for the rest of the year would even touch the fringe of the problem which now lies before the cotton mill industry. What really surprised me most in my Honourable friend's speech was its extreme ingenuousness. I do not for a moment suggest that my Honourable friend Sir Purshotamdas is in any way tricking the House. Sir Purshotamdas was compelled to put his Resolution before the House in this form because, as my Honourable friend Sir Basil Blackett has pointed out, he could not have proposed the total abolition of the cotton excise without coming within the mischief of the Standing Orders. He would not have been allowed, as you, Sir, have pointed out, to move a Resolution suggesting the abolition of the cotton excise. But I am perfectly sure that Sir Purshotamdas knows, just as we all must know, that if we suspend this tax now it is not practical politics to put it on again in March next. Are we going to disband the staff we have got now and collect it again in April? And having once taken off a tax with the history of this tax, does any one suggest that the Government could put it on again in March? Everybody must realise—Sir Basil Blackett has said this once and I say it again—everybody must realise that, if the House passes this Resolution in the form suggested by my Honourable friend Sir Purshotamdas, Government will have no option but to take that as a decision of the House that the cotton excise should be abolished. Our sole point is that before the House comes to this decision they ought to have the issue properly before them and they should not be led away into giving a premature decision in favour of the abolition of the cotton excise.

Now, Sir, before I sit down I should like just to refer very briefly to one or two remarks made by my friend Mr. Kasturbhai Lalbhai. He accused me of not having carried out my promises in regard to hosiery and in regard to altering the system of tariff valuation. Both these questions are being considered. I may tell the Honourable Member quite frankly that since the cotton excise is under sentence of death, I see no reason why we should alter the system of valuation which has been in force for many years and I see no reason why I should

bring an amendment of the Cotton Duties Act before this House when we propose to abolish that Act as soon as financial considerations permit. Let me also refer to this question of the inquiry of the Tariff Board. Everybody will admit as I have just said that the taking away of the cotton excise duty does not touch the fringe of the problem for the millowners. They admit that themselves and we all know it, and that was the reason why His Excellency the Viceroy, when the deputation came up before him, asked the millowners whether they would like to have an inquiry by the Tariff Board into the conditions of their industry, in order to decide whether or not protection was required. Now, I must confess that I cannot understand the attitude taken up by the millowners in this matter. They always refer us to the Fiscal Commission and they always say, " we will not have that inquiry until you take off the cotton excise duty." Well, Sir, if we remitted that question to the Tariff Board for inquiry, it will be no part of the Tariff Board's duty to decide or to advise us whether or not the cotton excise duty should be taken off. That is a decided question. It would not be reopened in any way at all. I cannot help wondering why the millowners always refuse that inquiry. We cannot remit the matter to the Tariff Board for inquiry unless the millowners apply. That is the position we take.

MR. KASTURBHAI LALBHAI: We have no confidence in the *bona fides* of the Government Members.

THE HONOURABLE SIR CHARLES INNES: If that is the reply that they give me, the reply that I feel inclined to give my Honourable friend Mr. Kasturbhai Lalbhai is that the reason why the millowners so dislike the idea of an inquiry into the conditions of their industry may be thought to be that they are not altogether satisfied that the result of that inquiry would be entirely creditable to that industry.

Several Honourable Members: I move that the question be now put.

MR. PRESIDENT: The question is that the question be now put.

The motion was adopted.

SIR PURSHOTAMDAS THAKURDAS (Indian Merchants' Chamber: Indian Commerce): Sir, I do not propose to detain the House at any great length but I feel I must reply to one or two points raised by the Honourable the Finance Member. He, Sir, was quite up to his usual form in meeting a Resolution especially where according to me at any rate he has to oppose a strong case, and he has a poor defence himself. My Honourable friend said in the beginning, " I have had to refuse grants to the Hindu University, the Muslim University and the Delhi University, on behalf of which requests were put forth by Pandit Madan Mohan Malaviya and Sir Hari Singh Gour, and how can I in the middle of the year attend to the textile industry?" Where is the comparison, Sir, between the paltry lakh or two required for these universities. . . . (*An Honourable Member* " Paltry?") Paltry by all means as compared with the stake here. The stake here is of an industry built up by Indians for the best benefits of India. You talk of one lakh, half a lakh or two lakhs being refused to the Hindu or the Muslim University. I am sure that the Hindus and the Muhammadans in this House will realise that that was irrelevant to the question before us.

Then the next thing he said was " we have to refuse fresh grants to the Army Department in the middle of a year." I am sure that my Honourable friend successfully refuses grants in the middle of a year to the Army Department in peace times. But in war times my Honourable friend will himself admit that grants may be voted above his head even, if he is not at headquarters. I submit, Sir, that the Indian textile industry at this juncture should be considered as important and as urgently in need of immediate assistance as the case of requirements of the country in war time. During peace time the country flourishes, and the treasury flourishes with the successful carrying on of industries. Therefore in the present case, Sir, I claim that the Finance Member should give the same treatment that he gives during war time to demands from the Army Department.

He next asked me, Sir, some questions regarding the exchange policy which I do not want to discuss. But he asked me a very pointed question to which I feel I must give him a

reply. I did not give him my own opinion because I decided not to give my own opinions ever since I accepted the membership of the Royal Commission but I gave him the opinion of an English banker whose opinion is entitled to some consideration at least at the Finance Member's hands. If the Honourable Finance Member wants to interrupt me I shall give way to him, though he did not give way to me.

THE HONOURABLE SIR BASIL BLACKETT: I was careful to say not a word about Sir Purshotamdas Thakurdas when I was talking of exchange.

SIR PURSHOTAMDAS THAKURDAS: I referred to the fact that the buying power of Indian agriculturists and the masses had gone down and he asked me to explain how it was that India had imported 90 crores worth of gold. May I, Sir, refer him to himself and the policy that he has been adopting, of artificially cheapening gold in India and of making gold available to the masses at Rs. 21-6-0, a price at which as any person in the Finance Department knows the masses of India rush in for gold. What is the good of asking me ? Let him ask himself and let him tell us what explanation he has got to give for having thus diverted the resources of India. It will be for him some day in the future to reply why he chose to adopt that policy for India lately. But, Sir, his reply was that the cultivator does not buy Indian piece-goods because the millowners sell the piece-goods dearly. His Excellency the Viceroy has said Indian cloth cannot be sold cheaper because the price of cotton has been high. Does the Honourable the Finance Member deny that, and if the price of cotton has been high, what does he mean to convey by his reference to dear Indian mill-made cloth ? Does he indicate that the Indian millowner here has funds which are inexhaustible and upon which he can draw in order that his mills may keep on working and losing money ? Sir, I claim that at this juncture, it is the duty of the Government of India and of the Finance Member of the Government of India, if he really wishes to serve the best interests of the country, to say " All right, even though it is an extraordinary thing to do, we will at least suspend this duty and will enable you to move on your piece-goods at a reduction of ¾ anna per pound." Sir, the Commerce Member said that this is not adequate. It may be, but the very fact that he confessed that this relief of ¾ anna per pound is not adequate makes it incumbent upon him and upon His Excellency the Viceroy and upon the whole Executive Council of the Government of India to say, " Let us at least do this and tell the people concerned, the millowners, to help themselves and look after themselves." Instead of that, Sir, the Finance Member gets up and pleads before the House, " I warn you, if you do this, the country will be incurring a great risk." That, Sir, should not be the outlook of a responsible person in the position of the Finance Member of a continent like India. Let him have a broader outlook, I say. I want him to take his courage in both hands. I told him that he has hidden away crores and crores within the last few years. (Laughter.) You set aside, as I pointed out, 11 crores under the sinking fund and 11 crores under railways. You never disputed that point.

(The Honourable Sir Basil Blackett rose.)

You will have your right of reply. I say, Sir, that if at this juncture the Government of India still hesitate to rise to the occasion and to suspend this duty for the six months my Resolution asks for, all that we would conclude is that we are not likely to get much from them, at any time.

One point more, Sir, as far as certain remarks of Sir Basil Blackett are concerned. A reference has been made to the suggested inquiry by the Tariff Board. I fully agree, Sir, that if and when the millowners want protection at the expense of the tax-payer, they must go to the Tariff Board. But why should our Government friends be more anxious that the millowners should go to the Tariff Board than the millowners themselves ?

THE HONOURABLE SIR CHARLES INNES: You asked for protection against Japan.

SIR PURSHOTAMDAS THAKURDAS: That does not refer to my Resolution. My Resolution is regarding the suspension of the cotton excise duty, which you yourself admit has been bad, obnoxious, etc., etc. Why bring up the question of inquiry to-day ?

The Commerce Member, Sir, or the Finance Member or His Excellency the Viceroy himself said, 'Why not go to the Tariff Board,' and it was said that the millowners had not replied to it. I am not in the confidence of the millowners, I am not a member of the Mill-owners' Association, and therefore I cannot say if the millowners hesitate to go to the Tariff Board.

Sir, a vague suspicion lurks that the Government of India may be watching for some method or other of forcing upon India Imperial Preference—which, Sir, India cannot conceive of as long as Indians are treated as they are in the Colonies. (Here, hear.) A further apprehension is that if India does not adopt Imperial Preference, she should, by some method or other, be forced to give preference to the United Kingdom—another problem on which some Indians have strong views. The suspicion is that by compelling millowners to go to the Tariff Board, the Government of India have some such thing as this in contemplation. I do not know how much truth there is in this. I am not able to say if the millowners themselves hold these views or not. But why be more friendly to the millowners than the millowners are to themselves? They claim, Sir, that the abolition of the excise duties is their birthright. You set aside 21 crores on one side; we say we are entitled to this sum. It is no use appealing to Madras and to the Punjab and other provinces and saying, "Look here, your provincial contributions are in danger." I say, Sir, and I say this with all deference to my reverend friend, Dr. Macphail, that that question does not arise. Madras has had her reduction of contribution for this current year. My Resolution only asks for suspension for the balance of the current year. Next year I hope that this Assembly will assert itself and will extract the excise duty out of the Treasury Benches in spite of the strongest opposition that they may put up. I do not think that I have anything more to say, Sir. I wish only to refer to the remarks of my Honourable friend Mr. Joshi. I deplore those remarks, and I hope that he himself will regret that he made some of those remarks.

MR. N. M. JOSHI: Which remarks?

SIR PURSHOTAMDAS THAKURDAS: I do not wish to enlarge upon that further. My aim to-day is to put before the House and to put before my Honourable friends opposite the very grave situation in the textile industry in Bombay and in Ahmedabad, which threatens to travel further up-county also.

We were told by Sir Basil Blackett that instead of asking for suspension, I should have asked for a subsidy. How does the question of asking for a subsidy arise? I ask for no favour; I ask for what is the birthright of India and Indians as far as the removal of the cotton excise duty is concerned. There is no question of labour and capital here. There is no question of asking for a subsidy. The Government of India, constituted as they are at present, will take many many years before they learn or are able to give a subsidy to the textile industry. There is great competition already to-day, and the eyes of Lancashire are already turned to India. Can we expect a favour from Government in the present situation? We insist upon only what is overdue to us and what is our birthright. I do not think that any Member on the Government Benches is entitled either to raise the question of provincial doles or to raise the question of the Hindu or Muhammadan University in this connection. I wish that the Finance Member had thought it very undesirable to mention that part of it. I stand, Sir, in the name of the Bombay Presidency and in the name of the Indian textile industry to claim from the Government of India what is their birthright. 30,000 people are out of employment. Are they going to wait until it goes up to one lakh?

MR. CHAMAN LALL: What have the Government done for them?

SIR PURSHOTAMDAS THAKURDAS: What is the good of saying that you have no money?

Finally, I wish very much to express my appreciation of what Sir Darcy Lindsay said on behalf of his European colleagues. (Applause.) At least I have this satisfaction to-day that whatever the Honourable Members on the Government Benches may say, European and Indian commerce are unanimous to-day in running down the policy of the Government of India as far as this obnoxious duty is concerned. I should like to express my grateful

thanks to my Honourable friends representing European commerce and interests, and I fervently hope that we will oftener be able to look at many questions from that common standpoint, the best interests of the land we live in and love. I beg to move my Resolution, Sir, and recommend it, with conviction, for the acceptance of the House.

THE HONOURABLE SIR BASIL BLACKETT (Finance Member): Sir, Sir Purshotamdas asks us to have " a little outlook " ! I suggest that is sometimes what the commercial community has when it is trying to get something out of the tax-payer into its pockets—" a little outlook." The Honourable Member has made a somewhat violent speech. However, after the sample we had yesterday of the extraordinary manner in which he gave thanks for the Government's offer of a subsidy of 60 lakhs for steel, I could hardly have expected anything different to-day. He really has left me nothing to answer, because he has said nothing (*An Honourable Member:* " Then why speak ? ") I am speaking only because there are some Honourable Members who are incapable of listening to arguments unless repeated. . .

MR. M. A. JINNAH: We believe you have nothing to say.

THE HONOURABLE SIR BASIL BLACKETT: There is one point. The Honourable Member inquired why the Government spoke about a Tariff Board inquiry in regard to the mill industry. One of the main reasons, Sir, was that the Millowners' Association—for whom Sir Purshotamdas Thakurdas says he does not speak—asked the Government for the imposition of a higher import duty on yarn and cloth below 30 counts on the ground of protection. That was the main reason which brought the question up. The other reason of course was—Sir Purshotamdas Thakurdas asked why it was that the millowners did not desire an inquiry, the answer to that has already been well given by my Honourable friend the Commerce Member namely,. . . .

SIR PURSHOTAMDAS THAKURDAS: I gave it also.

THE HONOURABLE SIR BASIL BLACKETT: . . . . that they did not think that their case is one which will bear much investigation. I have really nothing more to add to what I have already said. It is perfectly ridiculous for any Honourable Member to pretend that there was any difference between suspension and abolition.

MR. R. K. SHANMUKHAM CHETTY: Why then did not His Excellency the Viceroy refer to that ?

THE HONOURABLE SIR BASIL BLACKETT: I cannot hear the Honourable Member.

MR. R. K. SHANMUKHAM CHETTY: Why did not the Viceroy say that suspension leads automatically to remission ?

THE HONOURABLE SIR BASIL BLACKETT: The millowners, for whom Sir Purshotamdas Thakurdas does not speak, were wiser. They did not ask His Excellency for suspension, they asked for abolition. They asked for what they meant—not what the Resolution to-day says that they mean. I will repeat once more, Sir, that this Resolution really requests the immediate abolition of the cotton excise duty. The Government of India are not prepared to consider the question of the abolition of the excise duty except in connection with next year's Budget. When the next year's Budget comes forward the question will be very carefully and sympathetically considered ; and the House will I think be making a mistake to-day if it passes the Resolution which the Government must take as a demand for abolition in all circumstances without reference to financial considerations, whether there is a surplus or not, as from the beginning of the next financial year.

MR. PRESIDENT: The question is :—

" That the following Resolution be adopted :—

' This Assembly recommends to the Governor-General in Council to be pleased to forthwith suspend the collection of the cotton excise duty for the rest of the current

year 1925-26, in view of the critical stage of the Indian textile industry as at present prevailing '."

The Assembly divided :

AYES—57.

Abdul Haye, Mr.
Abhyankar, Mr. M. V.
Abul Kasem, Maulvi.
Acharya, Mr. M. K.
Ahmad Ali Khan, Mr.
Alimuzzaman Chowdhry, Khan Bahadur.
Aney, Mr. M. S.
Bhat, Mr. K. Sadasiva.
Carey, Sir Willoughby.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Chartres, Mr. C. B.
Chetty, Mr. R. K. Shanmukham.
Cocke, Mr. H. G.
Crawford, Colonel J. D.
Das, Mr. B.
Duni Chand, Lala.
Dutt, Mr. Amar Nath.
Fleming, Mr. E. G.
Ghazanfar Ali Khan, Raja.
Gour, Sir Hari Singh.
Govind Das, Seth.
Gulab Singh, Sardar.
Hans Raj, Lala.
Iyengar, Mr. A. Rangaswami.
Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Kartar Singh, Sardar.
Kasturbhai Lalbhai, Mr.
Kelkar, Mr. N. C.
Lindsay, Sir Darcy.
Lohokare, Dr. K. G.
Maguire, Mr. L. T.
Majid Baksh, Syed.
Malaviya, Pandit Madan Mohan.
Mehta, Mr. Jamnadas M.
Misra, Pandit Harkaran Nath.
Muhammad Ismail, Khan Bahadur Saiyid.
Murtuza Sahib Bahadur, Maulvi Sayad.
Mutalik, Sardar V. N.
Narain Dass, Mr.
Nehru, Dr. Kishenlal.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Purshotamdas Thakurdas, Sir.
Ramchandra Rao, Diwan Bahadur M.
Ranga Iyer, Mr. C. S.
Sadiq Hasan, Mr. S.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan Bahadur.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Devaki Prasad.
Syamacharan, Mr.
Sykes, Mr. E. F.
Venkatapatiraju, Mr. B.
Yusuf Imam, Mr. M.

NOES—32.

Abdul Mumin, Khan Bahadur Muhammad.
Ahmed, Mr. K.
Ajab Khan, Captain.
Akram Hussain, Prince A. M. M.
Ashworth, Mr. E. H.
Ayyar, Mr. C. V. Krishnaswami.
Bajpai, Mr. R. S.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Basil.
Bray, Sir Denys.
Burdon, Mr. E.
Clow, Mr. A. G.
Cosgrave, Mr. W. A.
Ghulam Bari, Khan Bahadur.
Gordon, Mr. E.
Gordon, Mr. R. G.
Graham, Mr. L.
Gurner, Mr. C. W.
Innes, The Honourable Sir Charles.
Langley, Mr. A.
Lloyd, Mr. A. H.
Mahmood Schamnad Sahib Bahadur, Mr.
Mitra, The Honourable Sir Bhupendra Nath.
Muddiman, The Honourable Sir Alexander.
Panduranga Rao, Mr. V.
Raj Narain, Rai Bahadur.
Roy, Mr. G. P.
Sim, Mr. G. G.
Singh, Rai Bahadur S. N.
Tonkinson, Mr. H.
Vijayaraghavacharya, Diwan Bahadur T.
Webb, Mr. M.

The motion was adopted.

APPENDIX 15 (I).

REPLY TO LORD READING.

ASSOCIATION'S ATTITUDE TOWARDS THE PROPOSED ENQUIRY BY THE TARIFF BOARD.

No. 1046/118 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *15th September*, 1925.

THE HON'BLE SIR CHARLES INNES, K.C.S.I., C.I.E., I.C.S.,
MEMBER FOR COMMERCE, GOVERNMENT OF INDIA, SIMLA.

SIR,

Under instructions from the Committee of the Bombay Millowners' Association and of the Ahmedabad Millowners' Association, I have the honour to convey officially to His Excellency the Viceroy and other members of the Executive Council, their thanks for receiving a deputation of the representatives of the two Associations on Monday, the 24th August, 1925.

2. The members of the above named Associations were greatly disappointed that His Excellency the Viceroy, in the present grave situation of the cotton mill industry, could not see his way to give the relief they prayed for, *viz.*, the repeal of the Cotton Excise Duty, which the whole country demands as the righting of a 'historic wrong' committed when the duty was imposed on the mill industry in 1896.

3. The Associations feel that in the present critical times of the industry, the repeal of the Excise Duty, if it may not be all that is necessary to restore the industry to health, would have gone a long way towards alleviating the existing depression, and would have enabled them, by reducing the price of cloth by nine pies per lb., to tide over their difficulties. It was therefore with great regret that they heard His Excellency the Viceroy's conclusion that the Government of India could not, "in the middle of the financial year, before the year had fully lapsed and before the commitments and prospects of next year were fully known," come to the relief of the industry. The Associations feel that if His Excellency the Viceroy and the Government of India had really recognised the gravity of the situation, they would have asked the Finance Member to take a small risk which he could have done very easily in view of the present flourishing condition of India's finances. There could not have been any difficulty in meeting the claim of the industry by repealing the Excise Duty, as it would have meant at most a crore of rupees during the rest of the financial year, especially as the Chairman of the Bombay Millowners' Association pointed out in his speech, a tax that was admitted to be wrong ought to be abolished, whether or not the finances of the Government of India permitted it.

4. The Associations therefore wish again to point out to you the gravity of the present situation, and to ask His Excellency to reconsider his decision in the matter, especially as the Prime Minister of England, when the coal strike was threatened in the middle of the year, came forward with a proposal before the House of Commons to give that industry a subsidy of ten millions sterling to enable it to tide over its grave situation. If the Government of the United Kingdom could come to a decision of this nature in the middle of the financial year, surely the Government of India could do likewise in the present critical situation of the cotton mill industry.

5. His Excellency the Viceroy in para 8 of his speech mentioned that it would be of advantage if the Government ordered the Tariff Board to enquire into the conditions of the mill industry in India for the purpose of determining whether it is in need of protection, and if so, what modifications are required in the Tariff Duties, whether on imports generally or on imports from particular countries. But as your Department must be aware, the course of procedure was specifically laid down by the Indian Fiscal Commission of 1922, in paras 169 and 170 of their report. I am therefore directed to draw the special attention of Government to those paras, in which they say first:—

> "We recommend therefore that the existing Cotton Excise Duty should in view of its past history and associations be unreservedly condemned, and that the Government should frankly express their desire to clean the slate"

and in para 170 they say:—

> "The course of action we propose would have the effect of providing the clean slate which public opinion demands, and would meet the claim that without the consent of the State freely given, the Cotton Excise Duty should not be levied. *When the slate has been wiped clean,* it will be for the Government and the Legislature in agreement to decide what new writing, if any, should be made upon it. The procedure which would enable the decision to be made would be as follows:—
>
> The Tariff Board should be directed to examine at the earliest possible moment the claim of the Indian cotton mill industry to protection."

6. You will see from the above remarks that the procedure laid down by the Indian Fiscal Commission is that the Government should first clean the slate by the repeal of the Excise Duty. According to their recommendations, the Millowners' deputation waited on His Excellency the Viceroy to request him to clean the slate by the repeal of the Excise Duty. Unfortunately their prayer in this connection has not been granted. The Associations therefore do not see how they can ask the Government of India at the present juncture to move the Tariff Board, when the Government themselves are unable and unwilling to take the

first step as recommended by the Fiscal Commission. If after the repeal of the Excise Duty in accordance with the recommendations of the Fiscal Commission, the industry finds itself in need of protection from countries with depreciated currency and sweated labour, it will be quite in order for them to approach the Government of India to ask the Tariff Board to make an investigation, but until the first step of cleaning the slate by repealing the Excise Duty is taken by the Government themselves, the Associations cannot entertain the proposal to ask the Tariff Board to make an enquiry. The Associations therefore request you to put before His Excellency the Viceroy their considered opinion that the Government of India should take the first necessary step of repealing the Excise Duty as recommended by the Fiscal Commission.

7. His Excellency the Viceroy, in paras 4 and 5 of his speech, said that the present depression of the industry was due to over-production and installation of more and more looms in the Indian mills during the war and post-war periods. I am directed to point out that the Indian mills were forced to instal more and more looms, because their trade with China in yarn was cut off through installations of mills in China and increasing imports from Japan into China, and the production of the spindles in India had to be utilised in manufacturing cloth. It may also be pointed out that the increase in the number of looms in Indian mills in recent years is insignificant compared to the growing needs of the vast population of 310 million souls. If, as His Excellency stated, the evil is of over-production all over the world, Japan does not seem to suffer from it, for she is still working her mills twenty-two hours a day in two shifts of eleven hours each, in spite of the Washington Convention.

8. It is not proposed to deal at length here with the question of the unfair competition which the Indian mill industry is meeting from countries which employ sweated labour and are enjoying the advantages of a depreciated currency. The reports of the Sea-borne Trade of India and the Review of the Trade of India in 1923-24 published by the order of the Governor-General in Council bear ample testimony to the severity of such competition. The Associations desire in particular to draw the attention of the Government of India to para 97 of the recently published report of the Collector of Customs, Bombay, on the Sea-borne Trade and Customs Administration of the Bombay Presidency for 1924-25. The Government of India should be in a better position than even the members of the Associations to judge the nature and extent of the dumping that takes place, since the Government obtains detailed figures from the Customs Department, which are not available either to the Associations or to the pubic.

9. I am directed to observe in conclusion that the Government of India do not appear to have realised the gravity of the situation. If they had done so, they could have easily risen above 'financial considerations,' and would have come to the relief of this industry by righting a great wrong which has done not a little to shake the confidence of the people of India in the justice of British rule.—I have, etc.,

(*Sd.*) T. MALONEY,
On behalf of
THE BOMBAY MILLOWNERS' ASSOCIATION.
THE AHMEDABAD MILLOWNERS' ASSOCIATION.

No. 341-T (2).

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, 21*st September*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter No. 1046/118 of September the 15th and note that the Millowners' Association does not desire an enquiry by the Tariff Board.—I have, etc.,

D. T. CHADWICK,
Secretary to the Government of India.

No. 1168/118 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *7th October*, 1925.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
COMMERCE DEPARTMENT, SIMLA.

SIR,

I am directed to acknowledge the receipt of your letter No. 341-T (2) dated the 21st September, 1925, in reply to the Association's letter of the 15th September, 1925.

2. At the outset, I am directed to point out that His Excellency the Viceroy raised certain points in his reply to the Millowners' deputation, and the Association's letter of the 15th September dealt at some length with these points. My Committee are much surprised to find from your letter under acknowledgment that their letter of the 15th September should have been treated by you as constituting nothing more than a flat refusal to refer the case of the cotton mill industry to the Tariff Board for an inquiry.

3. In the opinion of my Committee, the arguments brought forward by His Excellency the Viceroy for not suspending the Cotton Excise Duty in the middle of the year were not such as to carry conviction, for the reasons set forth in the Association's letter of the 15th September, and my Committee would very much appreciate a fuller reply to their letter than is conveyed by your letter under acknowledgment.

4. As regards referring the case of the cotton mill industry to the Tariff Board, I am to state that my Committee have made it quite clear in their letter of the 15th September that they take their stand on the conclusions reached by the Indian Fiscal Commission. The Indian Fiscal Commission recommended that the Cotton Excise Duty should be abolished prior to any inquiry by the Tariff Board. If after the abolition of the Excise Duty, the cotton mill industry finds itself in need of any protection against competition from countries which have ignored the Washington Convention regarding hours of labour or which enjoy indirect benefits owing to depreciated exchange or other circumstances, this Association might possibly ask for an enquiry; but all that the Association asks for at the present juncture is that the Cotton Excise Duty should be abolished in accordance with the recommendation of the Indian Fiscal Commission and the pledge solemnly given by Lord Hardinge.

5. My Committee have made their point quite clear that they do not desire a reference to the Tariff Board at present, but the conclusion reached in your letter is inaccurate inasmuch as it would seem to imply that under no circumstances would the Association ask for an inquiry.—I have, etc.,

T. MALONEY,
Secretary.

No. 341-T (2).

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, *7th October*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to reply to your letter No. 1046/118 dated the 15th September, 1925. In that letter you say that the Bombay and Ahmedabad Millowners' Associations do not desire that the Tariff Board should examine the claims of the Indian cotton mill industry to protection until the Cotton Excise Duty has been taken off. In the circumstances the

Government of India do not propose to order an investigation into the needs of an industry for protection since the industry does not ask for protection. At the same time I am to make some observations on certain statements contained in your letter.

2. Your Associations take their stand on the allegation that the Indian Fiscal Commission recommended that the Government of India should first repeal the Cotton Excise Duty and that the Tariff Board should then be directed to investigate the industry's claim to protection. In other words, they claim the authority of the Indian Fiscal Commission for their demand that the abolition of the Excise Duty must be a condition precedent to an enquiry by the Tariff Board. But I am to point out that the above claim is based on a misreading of paragraphs 169 and 170 of the Fiscal Commission's Report. If your Associations will read those paragraphs again, they will see that in paragraph 169 the Fiscal Commission pointed out various difficulties in the way of the immediate abolition of the Excise Duty and recommended that the whole case should be put clearly before the Legislature. They expressed their confidence that when all the factors had been duly weighed and discussed, the Government and the Legislature would 'be able in agreement to decide whether the excise duty should be abolished forthwith or whether it should be continued for a time, and if so, on what conditions.' The opening words of paragraph 170 show that it was this agreement—not necessarily an agreement, it should be noted, that the Excise Duty should forthwith be abolished—that was to constitute the cleansing of the slate, and the way would then be clear for an enquiry by the Tariff Board.

3. Your Associations are familiar with the reasons why the Government of India were unable to give effect to the recommendation of the Fiscal Commission. In the budget session of 1923, when they were faced with a deficit of several crores, and in that of 1924, when they were only just able to present a balanced budget, they could not in any case have agreed to the abolition of the Excise Duty. Moreover, they were aware—and this was a consideration which was not present in the minds of the Fiscal Commission—that as soon as there was a surplus, it would be a matter for decision whether that surplus should be applied to the abolition of the Excise Duty or to the remission of provincial contributions. The surplus accrued in the budget session of 1925. The question of its disposal was fully discussed, and as your Associations are aware, the Government and the Legislature agreed that precedence must be given to the remission of the provincial contributions. It is hoped that financial conditions may make it possible for the Government to bring the matter up before the Legislature in connection with the next budget. For the reasons already given by His Excellency the Viceroy to the deputation, they regret they are unable at present to take the action you desire. They gather from your letter that your Associations take the same view as they did of the resolution recently passed by the Assembly that the collection of the duty should be suspended for the rest of the current year. If, as you say, the repeal of the Excise Duty is demanded because it is a "historic wrong," clearly it is idle to talk of suspending that duty with the professed object of re-imposing it again next April.

4. The Government of India must express their regret at the attitude taken up by your Associations in regard to the proposed enquiry by the Tariff Board. They cannot help feeling that the Associations regard an enquiry by the Tariff Board as an inquisition into the working of the Indian mill industry to which they are prepared to submit only if the Excise-Duty is first repealed. The Government of India had no such idea in their minds when they made the proposal. They are aware that allegations have been made in the Press and else where regarding the manner in which the mills are managed, but they do not associate themselves with such allegations and do not desire to express any opinion on them. Their position is as follows. The industry, especially in Bombay and Ahmedabad, is not at present in a prosperous condition. The millowners attribute the depression partly to the pressure of taxation and partly to competition from Japan. The Government of India, for reasons fully explained in my letter No. 341 dated the 26th June last (to which no answer has yet been received), and in the reply of His Excellency the Viceroy to the deputation, are inclined to think that the cause of the depression is to be found not so much in competition from Japan as in world causes based on the high price of raw cotton and in over-production in India of the coarser qualities of piece-goods. Much to their regret they have been unable so far to give assistance in the manner most desired by the industry, namely, by the repeal of the Excise Duty, but your Associations themselves do not claim that the mere repeal of the Excise Duty

is sufficient to restore the industry to health. That is the view of the Government of India. They are satisfied that before the appropriate remedies can be devised, the causes of the present depression must be accurately diagnosed, and it was mainly for this purpose that they proposed an independent, dispassionate examination of the whole position by the Tariff Board. Such an enquiry was not intended in any way to postpone or to prejudice the repeal of the Excise Duty. The Government of India will repeal that duty as soon as financial considerations permit. The object of the enquiry would have been to determine as accurately as possible the causes of the present depression and to decide whether protection is necessary, and if so, at what rate. In coming to a final decision as to the rate of protection required, the Government of India would, of course, have had to take into account the fact whether or not they had found it possible to repeal the Excise Duty before the receipt of the report. They believe that such a report would have been of great value not only to themselves and the public, but also to the industry itself. It is not as if the industry has not applied for protection. Protection was definitely asked for in the letter of the Bombay Millowners' Association dated the 8th February, 1924. The enquiry, moreover, would have afforded a suitable opportunity for sifting those charges of dumping to which you again refer in your letter, but which so far have not been substantiated by evidence of any value.

5. In conclusion, I am to say that the Government of India have no desire to press the enquiry. At the same time for the reasons given they regret the decision which you have announced to them.—I have, etc.,

D. T. CHADWICK,
Secretary to the Government of India.

No. 1203/118 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 14*th October*, 1925.

THE HON'BLE MR. D. T. CHADWICK, C.S.I., C.I.E., I.C.S.,
SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, SIMLA.

SIR,

I am directed to acknowledge the receipt of your letter No. 341-T (2) of the 7th instant giving a fuller reply to the Association's letter of 15th September.

2. In your first reply dated 21st September, 1925, you merely remarked that you had noted that this Association did not desire an enquiry by the Tariff Board. As the Association's letter of the 15th September did not merely convey to Government a refusal to refer the case of the cotton mill industry to the Tariff Board for an enquiry but dealt with the points raised by His Excellency the Viceroy, you were requested in my letter of 7th October to favour the Association with a fuller reply to their letter of 15th September, and further, the Association's attitude on the question of a reference to the Tariff Board was more clearly defined. My letter of 7th October has crossed yours of the same date but by this time you must have seen from that letter that you are in error when you state that this Association is definitely opposed to an enquiry at any time by the Tariff Board.

3. As already pointed out in the previous communication, the Association takes its stand on the recommendations of the Fiscal Commission. You state that paragraphs 169 and 170 of the Report of the Indian Fiscal Commission have been misread by the Association. May I therefore refer you to the interpretation placed upon those paras by the Hon'ble Member for Commerce. In September, 1924, in the course of the discussion on Mr. Kasturbhai Lalbhai's resolution in the Legislative Assembly, the Hon'ble Sir Charles Innes dealing with the recommendations of the Indian Fiscal Commission said :—

"What they the Fiscal Commission suggested was that we should wipe the slate . . . . . *and abolish the Excise Duty.* They recognised that that would involve a sacrifice of something like 2 crores of rupees; and therefore they suggested that *after having wiped the slate we should refer the whole matter to the Tariff Board for examination.*"

There can hardly be any doubt that Sir Charles Innes correctly interpreted the conclusions of the Indian Fiscal Commission, and the same interpretation has been put thereon by this Association.

4. In the fourth paragraph of your letter, you attribute to the Association the opinion that the mere repeal of the Excise Duty is not sufficient to restore the industry to health. What the Association actually stated in their letter of 15th September was as follows :—

"The Associations feel that in the present critical times of the industry, the repeal of the Excise Duty if it may not be all that is necessary, to restore the industry to health, *would have gone a long way towards alleviating the existing depression, and would have enabled them by reducing the price of cloth by 9 pies per pound to tide over their difficulties.*"

It is unfortunate that in your letter you should have quoted the least important portion of the above extract and thereby conveyed a very erroneous impression on the mind of the public regarding the Association's opinion as to the effect the repeal of the duty would have on the industry.

5. The Association's attitude on the question of referring the case of the cotton mill industry to the Tariff Board is made clear in their letters of 15th September and 7th October, and it is difficult for them to understand why the Government of India should 'regret' this attitude which it is respectfully submitted is the only logical and reasonable attitude possible for them to take up. They demand that the great handicap placed on the industry in the shape of an admittedly iniquitous excise duty should be first removed, and if subsequently the industry finds it difficult to hold its own in competition with countries with sweated labour conditions and depreciated exchange it will certainly appeal to Government for assistance. So long as Government cannot see their way to right the "historic wrong" perpetrated on the industry some thirty years ago when the Legislative Assembly on three occasions during the last two years have amply demonstrated their desire for the abolition of the Excise Duty, the Association cannot possibly expect that Government would consider favourably any recommendation that the Tariff Board might make for assistance to the industry of any other nature.

6. As regards your letter of 26th June, 1925, referred to in the fourth para of your letter under reply, I am to remind you that a request was made that the statements contained therein should be discussed at a joint meeting between yourself and my Committee. That joint meeting took place on 6th July and further points were raised necessitating somewhat lengthy enquiries which as you are aware are still proceeding. Under the circumstances, my Committee are susprised that you should have called attention to the fact that your letter has remained unanswered, as such a remark might well be misinterpreted by the general public.

7. In the course of your letter, you state that in the Association's representation of February 1924 (which by the way still remains unanswered) a demand for protection was definitely made. That representation was devoted entirely to arguments for the repeal of the Excise Duty and it is inaccurate to treat it as a demand for protection. In this connection I am directed to draw your special attention to pages 66 to 68 of the Association's publication on "The Cotton Excise Duty" already in your possession which were written to contradict a similar misstatement by Sir Charles Innes made in September, 1924.

8. I am to convey to you my Association's appreciation of the fact that the Government of India do not associate themselves with allegations which have been made in the Press and elsewhere regarding the manner in which mills are managed. It seems curious to the

Association that those who make such reckless allegations do not realise that they unwittingly insult the intelligence of the shareholders who, after all, form a very considerable portion of the educated and intelligent public.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 15 (J).

THE SUSPENSION OF THE DUTY.

GOVERNMENT OF INDIA,
LEGISLATIVE DEPARTMENT,
DELHI, 1st *December*, 1925.

ORDINANCE NO. I OF 1925.

An Ordinance to Suspend the Levy and Collection of the Cotton Excise Duty.

Whereas an emergency has arisen which makes it necessary to suspend, in respect of cotton goods produced during the months of December, 1925, and January and February, 1926, the levy and collection of the excise duty imposed by the Cotton Duties Act, 1896; II of 1896.

Now therefore, in exercise of the power conferred by Section 72 of the Government of India Act, the Governor-General is pleased to make and promulgate the following Ordinance :—

Short title.

1. This Ordinance may be called the Cotton Excise Duty (Suspension) Ordinance, 1925.

Interpretation.

2. Words and expressions used in this Ordinance and defined or explained in the Cotton Duties Act, 1896, have the meanings assigned to them respectively by that Act. II of 1896.

Suspension of cotton excise duty.

3. The duty imposed by Section 6 of the Cotton Duties Act, 1896, shall not be levied and collected or be assessed in respect of any cotton goods produced in any mill in British India on or after the first day of December, 1925, and before the first day of March, 1926. II of 1896.

Saving of Section 8 of the Cotton Duties Act, 1896.

4. Notwithstanding anything hereinbefore contained the provisions of Section 8 of the Cotton Duties Act, 1896, shall continue to have the same force and effect as if this Ordinance had not been made and promulgated. II of 1896.

READING,
Viceroy and Governor General.

November 30*th*, 1925.

L. GRAHAM,
Secretary to the Government of India

FINANCE DEPARTMENT.

NOTIFICATION.

DELHI, 1st *December*, 1925.

No. F.-130-F—The following statement is published for general information :—

A statement by His Excellency the Governor-General of the reasons which have moved him, in exercise of the powers conferred upon him by Section 72 of the Government of India Act, to make and promulgate an Ordinance to suspend the levy and collection of the Cotton Excise Duty.

A. C. MCWATTERS,
Secretary to the Government of India.

STATEMENT.

In August last, when replying to a deputation which waited upon me on behalf of the millowners of Bombay and Ahmedabad to urge the relief of the mill industry from the cotton excise duty, I affirmed that the Government of India stood by the letter and the spirit of the pledge given by my predecessor, Lord Hardinge, that the excise duty would be abolished as soon as financial considerations permitted. At the same time, while fully recognising the special difficulties with which the cotton-mill industry in India was faced, it was necessary for me to explain that it was impossible to grant this request in the middle of the financial year, before the year had fully declared itself and before the commitments and the prospects of next year were known.

Again, on the 16th September, 1925, when a motion for suspension of the collection of the cotton excise duty was debated in the Legislative Assembly, it was made clear on behalf of Government that suspension must inevitably be followed immediately by abolition, and that abolition ought to be considered only in connection with the finances of the year as a whole, that is, at the time of the Budget, when the claims of the cotton-mill industry could be balanced against rival claims. It was definitely stated that a vote for suspension would be taken by Government as an expression of the view that the abolition of the cotton excise duty should take precedence of other claims. The Assembly accepted by a large majority the motion for suspension.

The time has not yet come when a detailed estimate of the revenue and expenditure for the current year, or of the prospects for 1926-27, can be made, but the final results of the monsoon are now known and it is possible to make a more reliable estimate of the financial position than in September. On such information as is now before them the Government of India are satisfied that there would be no serious risk of a large deficit in the current year if the cotton excise duty were suspended for the rest of the year, and that there is a reasonable prospect that the Budget for next year can be balanced without assistance from the cotton excise duty in the absence of any big change for the worse in the next few months. I and my Government have therefore come to the conclusion that the moment has arrived when financial considerations permit of the abolition of the duty. This can however be finally accomplished only by the passage of the necessary legislation by the Indian Legislature. In the meanwhile, having regard to the emergency caused by the grave difficulties confronting the industry, to the pledge given and reaffirmed, and to the expressed views of the Legislative Assembly, I have decided that with effect from the 1st December 1925, the duty shall be suspended by Ordinance. It is the intention of my Government, unless the financial position as disclosed in the Budget estimates for next year substantially fails to confirm present anticipations, to place before the Legislature, at the time of the Budget, proposals for the abolition of the duty.

READING,
Viceroy and Governor-General.

November 30th, 1925.

No. of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *2nd December*, 1925.

THE PRIVATE SECRETARY TO
HIS EXCELLENCY THE GOVERNOR OF BOMBAY, BOMBAY.

SIR,

The Committee of the Bombay Millowners' Association have received with genuine gratification the Ordinance issued by His Excellency the Viceroy, suspending the Cotton Excise Duty from 1st December as a preliminary to its total abolition at Budget time next year.

2. My Committee have already wired their grateful thanks to His Excellency the Viceroy, but they feel they would be failingin their duty if they did not take this opportunity of expressing their deep sense of gratitude to His Excellency the Governor of Bombay for his strong and unceasing advocacy of the claims of Bombay's premier industry to that bare justice which the industry has at last received at the hands of His Excellency the Viceroy.

3. My Committee have grave doubts whether the cotton industry of India would have obtained this much-needed relief even at this stage, had not His Excellency put up a persistent and determined fight to obtain bare justice for the great industry upon which so much of the prosperity of Bombay depends.

4. My Committee particularly appreciate the invaluable support which His Excellency the Governor rendered to the cause of the cotton mill industry when he ordered the officers of his Government, who were members of the Indian Legislative Assembly to support Mr. Kasturbhai Lalbhai's resolution in September, 1924. That action of His Excellency and his outspoken pronouncements in condemnation of the Cotton Excise Duty elicited the unstinted admiration of the public of Bombay. It is also an open secret that His Excellency has been in constant communication with His Excellency the Viceroy and the Secretary of State for India in regard to the legitimate claims of the cotton industry of this country and my Committee desire to place on record their respectful and grateful appreciation of the keen solicitude His Excellency has constantly shown for the welfare of the industry.

5. His Excellency will be pleased to know that in accordance with the undertaking given by the Committee, notices are being put up at the Bombay mills stating that mills will resume work on the old scale of wages as soon as a sufficient number of men return to work. Thus the general strike of millhands terminates, and it must no doubt be a great relief to His Excellency that what would have developed into a great economic crisis for the City of Bombay has been averted.

6. My Committee request you to convey to His Excellency their sincere felicitations on this very happy consummation of His Excellency's strenuous fight on behalf of the cotton industry of India. It must be a source of no small gratification to His Excellency that he should have had some part in righting a 'historic wrong' which, apart from its seriously detrimental effects on the industry, has for thirty years rankled in the minds of the people of India as a humiliating affront to their sense of national dignity and self-respect.—I have, etc.,

RATANSI D. MORARJI,
Acting Chairman,
The Bombay Millowners' Association.

GOVERNMENT HOUSE,
BOMBAY, *3rd December*, 1925.

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am to acknowledge with thanks receipt of your letter dated 2nd December on the subject of the suspension of the Cotton Excise Duty and to say that it has been shown to His Excellency.—Yours sincerely,

J. C. KER.

APPENDIX 16.

ALLEGED COMPETITION BETWEEN THE COTTON INDUSTRY OF LANCASHIRE AND OF INDIA.

No. 634/90 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *8th May*, 1925.

THE RIGHT HON'BLE SIR P. CUNLIFFE-LISTER, M.P.,
PRESIDENT, BOARD OF TRADE, LONDON, S.W. 1.

SIR,

The attention of the Committee of this Association has been drawn to the evidence given by the representatives of the Cotton Spinners' and Manufacturers' Association on March 18th in London before the Government Committee on Trade and Industry. In the course of this evidence it was stated:—

"The incidence of the Customs Duty on imported cotton goods into India has seriously affected the Lancashire manufacturers. In 1913, the Customs Duty was 3½ per cent. and the Excise Duty on home production was also 3½ per cent. The duty charged on imported cotton goods to-day is 11 per cent. whilst the Excise Duty still remains at 3½ per cent. or 7½ per cent. in favour of the Indian manufacturer."

My Committee desire to offer a few observations on this portion of the evidence for your careful consideration.

2. At the outset, my Committee have asked me to object to the words "7½ per cent. in favour of the Indian manufacturer" in the above statement.

3. I am directed to remind you that when the Import Duty was increased from 3½ per cent. to 7½ per cent. in 1917 the same argument was brought forward by Lancashire manufacturers, and Mr. Austen Chamberlain, the then Secretary of State for India, distinctly made it clear that this was not correct as the Indian manufacturers had to pay an Import Duty of 15 per cent. on all stores such as china clay, farina and other sizing ingredients, on dyeing materials and also on all accessories such as bobbins, shuttles, healds, belting, etc., used in the working of their mills. They had further to pay freight and insurance charges on these articles and this increased the cost of manufacturing in India proportionately. Besides this the Indian manufacturers have to pay a capital levy of 2½ per cent. on all machinery, boilers, engines and everything imported when starting the mills and as required from time to time for replacement of machinery in the mills. Therefore, my Committee submit that the argument that the Import Duty is in favour of the Indian manufacturer is fallacious.

4. Similarly when the duty was increased from 7 per cent. to 11 per cent. in 1921, similar arguments were brought forward by Lancashire manufacturers and the late Mr. Edwin Montagu, the then Secretary of State, showed the hollowness of Lancashire's contention on similar grounds as quoted above. My Committee therefore desire me to state emphatically that the statement made by the Lancashire manufacturers in their evidence before the Government Committee on Trade and Industry and the words therein used "that the 11 per cent. Import Duty was 7½ per cent. in favour of the Indian manufacturer" are not correct.

5. It has been acknowledged that there is no competition between the goods manufactured by Lancashire mills and those manufactured by Indian mills. Lancashire mills manufacture fine goods and the Indian mills manufacture coarse goods, and Sir Edwin Stockton, the Chairman of the Manchester Chamber of Commerce, confirmed this in his speech delivered in the early part of this year that there was no competition between Lancashire and India. My Committee do not understand why the Lancashire manufacturers, whenever they can, bring forward this incorrect argument that the Import Duty is in favour of the Indian manufacturer.

6. A competent authority like Sir Charles Macara once estimated that the cost of the erection of mills in foreign countries varies from 40 to 100 per cent. over the cost in England. Indian labour, again, is hopelessly inefficient compared with the workpeople in Lancashire, and this is another great handicap which the Indian mill industry has to face, as compared with Lancashire.

7. Moreover, during recent years taxes have been piled upon the cotton mill industry of India without any regard to the taxable capacity of the industry to such an extent that a leading and impartial journal published in India known as *Commerce* was constrained to remark "the Millowners perceive that if they do not make their grievances heard they will find themselves taxed out of all existence."

8. To the Government of India the mill industry has to pay the 3½ per cent. Excise Duty and in addition 15 per cent. on all stores, dyes, chemicals, etc., imported for use in mills. Besides, the industry has to bear 2½ per cent. duty on all machinery imported by them, and this tax may without fear of contradiction be characterised as a capital levy of 2½ per cent. Then if the industry makes a profit, Government claims a very large share of it by way of

income-tax and super-tax. Lately, the Bombay mill industry has been subjected to a tax of Re. 1 per bale of cotton, this tax being imposed for the benefit of the Development Department of Bombay in order that the rents charged for workmen's dwellings may be reduced. Then there is a further tax of four annas per bale of cotton for the purposes of the Indian Central Cotton Committee. In fact, the total charges paid by the mill industry by way of taxes is estimated to be equivalent to a tax of nearly 8 per cent. on the share capital invested in the industry.

9. When the burdens of taxation imposed upon the Indian mill industry are considered together with the advantages enjoyed by the Lancashire industry as regards efficiency of labour, etc., it will be found that the Lancashire industry has great advantages over the Indian industry, notwithstanding the difference of 7½ per cent. between the Excise Duty and the Import Duty.

10. The Excise Duty on Indian manufactured cloth was levied by the Government of India not on their own initiative but under pressure from the Imperial Government as was admitted at the time by Sir James Westland, the Finance Member of the Government of India :—

> " I would not be dealing straightforwardly with the Council, " said Sir James Westland, " if I pretend that this measure was recommended by the Government of India on its own merits. . . . . .I cannot help thinking that the Government is placed in some difficulty in defending the provisions of a Bill which they have professedly brought forward as imposed upon them by conditions required by the Secretary of State and not by conditions which they themselves entirely or independently approve of."

This Excise Duty as imposed in India is against all canons of justice or equity. In no other British Dominion Excise Duty is levied on manufactured goods, specially cotton goods, except in India, where it was imposed at the instance of Lancashire as stated above. No British Dominion has such a duty and the fact that this duty was imposed in India at the dictation of the Home Authorities has been a cause of severe agitation for the last 30 years in India, and it has led to much dissatisfaction with the tariff as imposed on Indian manufacturers.

11. The abolition of the Cotton Excise Duty has been demanded by all political parties and creeds in India ever since the date of its imposition as a perusal of the book on Cotton Excise Duty, forwarded herewith, will convince you, and the Cotton Spinners' and Manufacturers' Association were labouring under a serious delusion when they stated that the demand for the repeal of the Cotton Excise Duty was made by the Bombay millowners only. If the millowners have recently been persistent in this demand for abolition it is because the Indian mill industry stands badly in need of some relief to maintain its existence and in order to hold its own against the tremendous inroads Japan is making in the home and other legitimate markets of India.

12. I am directed to invite your attention to the Command Paper No. 2327 issued by your Board on February 3rd, 1925. Section 2, clause 5 of this Command Paper is very pertinent to the case of the Bombay mill industry in reference to Japanese competition. Indian millowners would have claimed protection under this clause, had there been a Safeguarding of Industries Act in this country. As matters stand, however, India is the only country in the world whose tariff arrangements in respect to the cotton industry are calculated to help a formidable foreign rival like Japan. There is no other country in the world whose greatest indigenous industry is subjected to a tax on production, a tax which the industry has to pay on every pound of cloth produced, whether a profit is made thereon or not.

13. In this letter my Committee do not propose to expatiate on the larger question whether the fiscal policy of this country should be dictated in the interests of this country or in the interests of Lancashire. My Committee only wish to remind the Lancashire trading interests of those sagacious words of the Joint Select Committee of both Houses of Parliament which examined a large number of Indian witnesses prior to the introduction of the Government of India Act :—

> " Nothing is more likely to endanger the good relations between India and Great Britain than a belief that India's fiscal policy is dictated from Whitehall in the interests of the trade of Great Britain."

14. My Committee wish to add that the late Mr. Edwin Montagu, late Secretary of State for India, made it clear to the Lancashire manufacturers four years ago that as India

had now got fiscal autonomy, she must be left to revise her own tariff and raise the money necessary for her Government as it may best suit India. In writing this letter my Committee only desire to emphasise that the agitation carried on by Lancashire manufacturers is groundless and it has caused in India a great deal of mistrust of the Indian Government and a loss of trust in British justice.

> " No measure has done greater injury to the cause of Free Trade in India," wrote Sir Valentine Chirol, "than this Excise Duty on manufactured cotton, for none has done more to undermine Indian faith in the principles of justice upon which British rule claims, and on the whole, legitimately claims to be based."

15. Lastly, my Committee venture to observe that the British Government, in its own interests and in the interests of Lancashire, will act wisely by being forearmed from now against Japan which is steadily threatening to be a formidable competitor in foreign markets where Lancashire has a firm footing for years in the piece-goods trade.

16. My Committee desire me to send you herewith a copy of a book they have issued on " The Indian Cotton Excise Duty " and a copy of the Memorial they recently addressed to His Excellency the Viceroy regarding the urgent necessity for the repeal of the Excise Duty. This book and the Memorial make the position of the Indian mills perfectly clear.

17. My Committee therefore respectfully request you to give the widest possible publicity to this letter which they trust will once for all lay atrest the shibboleth of Lancashire trade being handicapped by the increase in the Import Duty without any increase in the Excise Duty.—I have, etc.,

J. P. WADIA,
Acting Secretary.

BOARD OF TRADE,
GREAT GEORGE STREET, S.W. 1, *25th May*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am desired by Sir Philip Cunliffe-Lister to acknowledge the receipt of your letter of 8th May, regarding evidence given by the representatives of the Cotton Spinners' and Manufacturers' Association on the 18th March before the Committee on Trade and Industry, and I am to say that it will have attention.—Yours faithfully,

JOHN C. HENDERSON,
Private Secretary.

3345-25.

BOARD OF TRADE,
(INDUSTRIES AND MANUFACTURES DEPARTMENT),
LONDON, S.W. 1, *5th August*, 1925.

THE ACTING SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

With further reference to your letter No. 634/90 of the 8th May last, addressed to Sir Philip Cunliffe-Lister respecting the excise duty on cotton goods in India, I am directed by the Board of Trade to state that a copy of your letter has been communicated to the Committee on Industry and Trades for their information.

It may be added that the passage quoted in the first paragraph of your letter from the evidence submitted to the Committee by the Cotton Spinners' and Manufacturers' Association was not included in the summary of that evidence which was issued to the Press by the Committee. The reference to the subject in the published summary was as follows :—

> " This Indian industry [*i.e.*, cotton] was helped by the fact that whereas in 1913 the Customs duty and the Excise duty were both 3½ per cent., the former was now 11 per cent., the latter remaining unchanged. Further, there was an agitation for the total abolition of the Excise Duty."—I am, etc.,

(Sd.) (ILLEGIBLE),
Assistant Secretary.

APPENDIX 17.

TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT.

SCHEDULE III.—IMPORT TARIFF.

NOTE.—In the expression "*ad valorem*" used in this schedule the reference is to "real value" as defined in Section 30 of the Sea Customs Act, 1878 (VIII of 1878).

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		I.—Food Drink, and Tobacco.		Rs. a.	
		FISH.			
1	27	FISH, SALTED, wet or dry	Indian maund of 82 2/7 lbs. avoirdupois weight.	....	Such rate or rates of duty not exceeding one rupee as the Governor-General in Council may, by notification in the *Gazette of India*, from time to time prescribe.*
2	65	FISH, excluding salted fish	....	*Ad valorem*	15 per cent.
3	66	FISHMAWS, including singally and sozille, and sharkfins.	....	"	15 "
		FRUITS AND VEGETABLES.			
4	67	FRUITS AND VEGETABLES, all sorts, fresh, dried, salted or preserved—			
		Almonds without shell	cwt.	80 0	15 "
		" kagazi, Persian, in the shell	"	95 0	15 "
		" in the shell, Persian ..	"	18 0	15 "
		" all other sorts	....	*Ad valorem*	15 "
		Cashew or cajoo kernels	cwt.	25 0	15 "
		Coconuts, Straits, Dutch East Indies and Siam.	thousand	115 0	15 "
		" Maldives	"	34 0	15 "
		" other	"	55 0	15 "
		" kernel (khopra)	cwt.	22 0	15 "
		Currants	"	24 0	15 "
		Dates, dry, in bags	"	11 0	15 "
		" wet, in bags, baskets and bundles.	"	5 0	15 "
		" " in pots, boxes, tins and crates	"	11 0	15 "
		Figs, dried, Persian	"	13 0	15 "
		" " European	"	18 0	15 "
		Garlic	"	6 0	15 "
		Pistachio nuts	"	70 0	15 "
		Raisins, Munakka, Persian Gulf ..	"	14 0	15 "
		" other sorts	....	*Ad valorem*	15 "
		All other sorts of fruits and vegetables, fresh, dried, salted or preserved.	....	"	15 "
		GRAIN, PULSE AND FLOUR.			
5	68	FLOUR	....	"	15 "
6	1A	GRAIN AND PULSE, all sorts, including broken grains and pulse, but excluding flour (see No. 5).	....	....	Free.
		LIQUORS.			Rs. a.
7	28	ALE, Beer, Porter, Cider and other fermented liquors.	Imperial gallon or 6 quart bottles.	....	0 8
8	29	DENATURED SPIRIT	....	*Ad valorem*	7½ per cent.
9	31	LIQUEURS, Cordials, Mixtures and other preparations containing spirit—			Rs. a.
		(*a*) Entered in such a manner as to indicate that the strength is not to be tested.	Imperial gallon or 6 quart bottles.	....	30 0 or 15 per cent. *ad valorem*, whichever is higher.
		(*b*) If tested	Imperial gallon or 6 quart bottles of the strength of London proof.	....	21 14 and the duty to be increased or reduced in proportion as the strength of the spirit exceeds or is less than London proof or 15 per cent. *ad valorem*, whichever is higher.

* The rate on the 1st January, 1926, and until further notice is annas 7½.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		I.—Food, Drink and Tobacco—*contd.*		Rs. a.	
		LIQUORS—*contd.*			
10	30	PERFUMED SPIRITS	Imperial gallon or 6 quart bottles.	....	Rs. a. 36 0 or 15 per cent. *ad valorem*, whichever is higher.
11	32	All other sorts of SPIRIT	Imperial gallon or 6 quart bottles of the strength of London. proof.	....	21 14 and the duty to be increased or reduced in proportion as the strength of the spirit exceeds or is less than London proof or 15 per cent. *ad valorem*, which ever is higher.
12	33	WINES—			Rs. a.
		Champagne and all other sparkling wines not containing more than 42 per cent. of proof spirit.	Imperial gallon or 6 quart bottles.	....	9 0
		All other sorts of wines not containing more than 42 per cent. of proof spirit.	"	....	4 8
		Provided that all sparkling and still wines containing more than 42 per cent. of proof spirit shall be liable to duty at the rate applicable to "All other sorts of Spirits."			
		PROVISIONS AND OILMAN'S STORES.			
13	69	PROVISIONS, OILMAN'S STORES, AND GROCERIES, all sorts, excluding vinegar in casks (see No. 14)—			
		Butter	lb.	1 14	15 per cent.
		Cassava, Tapioca or Sago (whole) ..	cwt.	14 0	15 "
		" " " (flour) ..	"	9 8	15 "
		China preserves in syrup	box of six large or twelve small jars.	9 8	15 "
		" " dry, candied.. ..	lb.	0 7	15 "
		China canned fruit	case of 4 doz.	16 0	15 "
		Cocum	cwt.	17 0	15 "
		Ghi	"	60 0	15 "
		Vermicelli, flour, Chinese	"	30 0	15 "
		" peas "	"	32 0	15 "
		" rice "	"	14 0	15 "
		Yeast, Chinese	"	26 0	15 "
		All other sorts of provisions, oilman's stores and groceries.	....	*Ad valorem*	15 "
14	48	VINEGAR, in casks	....	"	2½ "
		SACCHARINE.			Rs. a.
15	34 A	SACCHARINE (except in tablets)	lb.	....	20 0
16	34 B	SACCHARINE TABLETS	....	*Ad valorem*	25 per cent. or Rs. 20 per pound of saccharine contents, whichever is higher.
		SPICES.			
17	70	SPICES, all sorts—			
		Betelnuts, raw, whole, split, or sliced, also red whole from Goa.	cwt.	22 0	15 per cent.
		Betelnuts, raw, whole, split, or sliced, also red whole from Straits, Dutch East Indies and Siam.	"	20 0	15 "
		Betelnuts, boiled, split or sliced ..	"	26 0	15 "
		Betelnuts, whole, from Ceylon ..	"	19 0	15 "
		Betelnuts, raw, split (sun-dried) from Ceylon.	"	30 0	15 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		I.—Food, Drink and Tobacco—*contd.*		Rs. a.	
		SPICES—*contd.*			
		SPICES, all sorts—*contd.*			
		Betelnuts, all other sorts	....	*Ad valorem*	15 per cent.
		Chillies, dry	cwt.	25 0	15 ,,
		Cloves	,,	63 0	15 ,,
		,, exhausted	,,	11 0	15 ,,
		,, stems and heads	,,	9 0	15 ,,
		,, in seeds, narlavang	,,	20 0	15 ,,
		Ginger, dry	,,	50 0	15 ,,
		Mace	lb.	1 10	15 ,,
		Nutmegs	,,	1 0	15 ,,
		,, in shell	,,	0 8	15 ,,
		Pepper, black	cwt.	27 0	15 ,,
		,, long	,,	50 0	15 ,,
		,, white	,,	55 0	15 ,,
		All other sorts of spices	....	*Ad valorem*	15 ,,
		SUGAR.			
18	124	CONFECTIONERY	....	*Ad valorem*	30 ,,
19	34	SUGAR, excluding confectionery (*see* No. 18)—			Rs. a.
		(1) Sugar, crystallised or soft, 23 Dutch Standard and above.	cwt.	....	4 8
		(2) Sugar, crystallised or soft, inferior to 23 Dutch Standard but not inferior to 8 Dutch Standard.	,,	....	4 0
		(3) Sugar below 8 Dutch Standard.	....	*Ad valorem*	25 per cent.
		Molasses	cwt.	3 0	25 ,,
		Sugar Candy	,,	22 0	25 ,,
		TEA.			
20	71	TEA—			
		Tea, black	lb.	0 11	15 ,,
		,, green	,,	1 4	15 ,,
		OTHER FOOD AND DRINK.			
21	72	COFFEE	cwt.	45 0	15 ,,
22	1	HOPS	....	....	Free.
23	35	SALT, excluding Salt exempted under No. 24.	Indian maund of 82 2/7 lbs. avoirdupois weight.	....	The rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place.*
24	2	SALT imported into British India and issued, in accordance with rules made with the previous sanction of the Governor-General in Council, for use in any process of manufacture; also salt imported into the port of Calcutta and issued with the sanction of the Government of Bengal to manufacturers of glazed stoneware; also salt imported into any port in the provinces of Bengal and Bihar and Orissa and issued, in accordance with rules made with the previous sanction of the Governor-General in Council, for use in curing fish in those provinces.	....	....	Free.
25	73	ALL OTHER SORTS OF FOOD AND DRINK not otherwise specified.	....	*Ad valorem*	15 per cent.

* The rate of excise duty on the 1st January, 1926, and until further notice is Rs. 1-4-[illegible].

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		I.—Food, Drink and Tobacco.—*concld.*		Rs. a.	
		TOBACCO.			
26	37	CIGARS	....	*Ad valorem*	75 per cent.
26A	37A	CIGARETTES of value—			Rs. a.
		(*a*) not exceeding Rs. 10-8 per thousand.	thousand	....	7 0
		(*b*) exceeding Rs. 10-8 per thousand.	,,	....	10 8
		Note.—For the purposes of this item, "value" means real value as defined in Section 30 of the Sea Customs Act, 1878, provided that the amount to be deducted on account of duties payable on importation to determine the real value in accordance with the provisions of clause (*a*) of the said Section shall be Rs. 7 per thousand.			
27	36	TOBACCO, unmanufactured	lb.	....	1 0
28	38	All other sorts of TOBACCO, manufactured.	,,	....	2 4
		II.—Raw Materials and Produce and Articles Mainly Unmanufactured.			
		COAL, COKE AND PATENT FUEL.			
29	39	COAL, COKE AND PATENT FUEL	ton	....	0 8
		GUMS, RESINS AND LAC.			
30	74	GUMS, RESINS AND LAC, all sorts—			
		Gambier, block and cube	cwt.	30 0	15 per cent.
		,, in flakes or circular pieces..	,,	42 0	15 ,,
		,, other sorts	....	*Ad valorem*	15 ,,
		Gum Ammoniac	cwt.	35 0	15 ,,
		,, Arabic	,,	23 0	15 ,,
		,, Benjamin, ras	,,	25 0	15 ,,
		,, ,, cowrie	,,	53 0	15 ,,
		,, Bysabol (coarse myrrh) ..	,,	35 0	15 ,,
		,, Olibanum or frankincense ..	,,	12 0	15 ,,
		,, Persian (false)	,,	14 0	15 ,,
		Myrrh	,,	40 0	15 ,,
		Rosin	,,	16 0	15 ,,
		All other sorts of gums, gum-resins, and articles made of gum or gum-resin.	....	*Ad valorem*	15 ,,
		HIDES AND SKINS, RAW.			
31	3	HIDES AND SKINS, raw or salted ..	....	....	Free.
		METALLIC ORES, AND SCRAP IRON OR STEEL FOR RE-MANUFACTURE.			
32	58	IRON OR STEEL, old	cwt.	1 12	10 per cent.
33	4	METALLIC ORES, all sorts, except ochres and other pigment ores.	....	....	Free.
		OILS.			
34	40	KEROSENE, also any mineral oil other than kerosene and motor spirit which has its flashing point below one hundred degrees of Fahrenheit's thermometer by Abel's close test.	Imperial gallon.	....	Rs. a. p. 0 2 6
34A	40A	MOTOR SPIRIT	,,	....	0 4 0
35	41	MINERAL OIL which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer and is such as is not ordinarily used for any other purpose than for the batching of jute or other fibre, or for lubrication :—			
		Batching oil	ton	133 5 4	7½ per cent.
		Other sorts	....	*Ad valorem*	7½ ,,

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		II.—Raw Materials and Produce and Articles Mainly Unmanufactured—*contd.*		Rs. a. p.	
		OILS—*contd.*			
36	41	MINERAL OIL which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purpose :—			
		(*i*) imported in bulk	ton	53 5 4	7½ per cent.
		(*ii*) otherwise imported	....	*Ad valorem*	7½ ,,
37	75	All sorts of animal, essential, mineral, and vegetable non-essential OILS not otherwise specified (*see* Nos. 34, 34A, 35 and 36) :—			
		Cassia oil	lb.	2 12 0	15 ,,
		Citronella oil	,,	2 8 0	15 ,,
		Coconut oil	cwt.	30 0 0	15 ,,
		Kajiputty oil	lb.	2 8 0	15 ,,
		Linseed oil, raw or boiled	Imperial gallon.	4 4 0	15 ,,
		Peppermint oil	lb.	7 0 0	15 ,,
		All other sorts of oil	....	*Ad valorem*	15 ,,
		SEEDS.			
38	6	OIL-SEEDS, imported into British India by sea from the territories of any Prince or Chief in India.	....	....	Free.
39	76	SEEDS, all sorts, excluding oil-seeds specified in No. 38.	....	*Ad valorem*	15 per cent.
		TALLOW, STEARINE AND WAX.			
40	77	TALLOW AND STEARINE, including grease and animal fat, and Wax of all sorts, not otherwise specified :—			
		Tallow	cwt.	41 0 0	15 ,,
		Vegetable wax	,,	50 0 0	15 ,,
		All other sorts	....	*Ad valorem*	15 ,,
*		TEXTILE MATERIALS.			
42	7	COTTON, raw	....	....	Free.
43	78	TEXTILE MATERIALS, the following :—			
		Silk waste, and raw silk including cocoons :—			
		Bokhara	lb.	12 0 0	15 per cent.
		Floss	....	*Ad valorem*	15 ,,
		Raw silk—Yellow Shanghai, including re-reeled.	lb.	6 4	15 ,,
		,, from Indo-China, and places in China other than Shanghai including re-reeled.	,,	8 4	15 ,,
		Mathow	,,	5 0	15 ,,
		Panjam	,,	5 0	15 ,,
		Persian	,,	9 0	15 ,,
		Siam	,,	6 0	15 ,,
		White Shanghai, Thonkoon or Duppion.	,,	4 0	15 ,,
		White Shanghai, other kinds, including re-reeled.	,,	7 4	15 ,,
		White, other kinds of China, including re-reeled.	,,	8 8	15 ,,
		Waste and Kachra ..	....	*Ad valorem*	15 ,,
		All other sorts, including cocoons ..	....	,,	15 ,,
		Coir fibre	cwt.	8 0	15 ,,
		Raw hemp	,,	35 0	15 ,,
		Raw Flax, Jute and all other unmanufactured textile materials not otherwise specified.	....	*Ad valorem*	15 ,,
44	8	WOOL, raw, and WOOL-TOPS	....	....	Free.

* There is no entry bearing Serial No. 41.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		II.—Raw Materials and Produce and Articles Mainly Unmanufactured—*concld.*		Rs. a. p.	
		WOOD AND TIMBER.			
45	49	FIREWOOD	....	*Ad valorem*	2½ per cent.
46	79	WOOD AND TIMBER, all sorts, not otherwise specified, including all sorts of ornamental wood.	....	"	15 "
		MISCELLANEOUS.			
47	80	CANES AND RATTANS	....	"	15 "
48	81	COWRIES AND SHELLS—			
		Cowries, bazar, common	cwt.	7 0	15 "
		" yellow, superior quality ..	"	8 8	15 "
		" Maldive	"	12 0	15 "
		" Sankhli	"	140 0	15 "
		Mother-of-pearl, nacre	"	20 0	15 "
		Nakhla	"	140 0	15 "
		Tortoise-shell	lb.	9 0	15 "
		" nakh	"	2 4	15 "
		All other sorts, including articles made of shell, not otherwise described.	....	*Ad valorem*	15 "
49	82	IVORY, unmanufactured:—			
		Elephants' grinders	cwt.	300 0	15 "
		Elephants' tusks (other than hollows, centres, and points), each exceeding 20 lb. in weight, and hollows, centres, and points each weighing 10 lb. and over.	"	875 0	15 "
		Elephants' tusks (other than hollows, centres, and points), not less than 10 lb. and not exceeding 20 lb. each, and hollows, centres, and points each weighing less than 10 lb.	"	750 0	15 "
		Elephants' tusks each less than 10 lb. (other than hollows, centres and points).	"	440 0	15 "
		Sea-cow or moye teeth, each not less than 4 lb.	"	250 0	15 "
		Sea-cow or moye teeth, each not less than 3 lb. and under 4 lb.	"	210 0	15 "
		Sea-cow or moye teeth, each less than 3 lb.	"	130 0	15 "
		All other sorts unmanufactured not otherwise specified.	....	*Ad valorem*	15 "
50	9	MANURES, all sorts, including animal bones and the following chemical manures:—basic slag, nitrate of ammonia, nitrate of soda, muriate of potash, sulphate of ammonia, sulphate of potash, kainit salts, carbo lime, urea, nitrate of lime, calcium cyanamide, mineral phosphates and mineral superphosphates.	....	....	Free.
51	83	PRECIOUS STONES, unset and imported cut	....	*Ad valorem*	15 per cent.
52	5	PRECIOUS STONES, unset and imported uncut, and PEARLS, unset.	....	....	Free.
53	10	PULP OF WOOD, RAGS and other paper-making materials.	....	....	Free.
53A	10A	RUBBER, RAW	....	....	Free.
54	84	ALL OTHER RAW MATERIALS AND PRODUCE, and articles mainly unmanufactured, not otherwise specified.*	....	*Ad valorem*	15 per cent.
		III.—Articles Wholly or Mainly Manufactured.			
		APPAREL.			
55	85	APPAREL, including drapery, boots and shoes, and military and other uniforms and accoutrements, but excluding uniforms and accoutrements exempted from duty (No. 56) and gold and silver thread (Nos. 96 and 97) and articles made of silk or silk mixtures (*see* Nos. 106A, 107A and 107B).	....	"	15 "

* Under Government of India Notification No. 4317, dated the 2nd July, 1921, unmanufactured mica is exempt from payment of import duty.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*		Rs. a.	
		APPAREL—*contd.*			
56	11	UNIFORMS AND ACCOUTREMENTS appertaining thereto, imported by a public servant for his personal use.	....	....	Free.
		ARMS, AMMUNITION AND MILITARY STORES.			
57	42	Subject to the exemptions specified in No. 60, ARMS, AMMUNITION AND MILITARY STORES, that is to say—			Rs. a.
		(1) Firearms other than pistols, including gas and air guns and rifles.	each	....	15 0
		(2) Barrels for the same, whether single or double.	,,	....	15 0
		(3) Pistols, including automatic pistols and revolvers	,,	....	15 0 or 30 per cent. *ad valorem*, whichever is higher.
		(4) Barrels for the same, whether single or double.	,,	....	15 0
		(5) Main springs and magazine springs for firearms including gas-guns and rifles.	,,	....	5 0
		(6) Gun stocks and breech blocks.	,,	....	3 0
		(7) Revolver-cylinders, for each cartridge they will carry.	,,	....	2 0
		(8) Actions (including skeleton and waster), breech bolts and their heads, cocking pieces, and locks for muzzle-loading arms.	,,	....	1 0
		(9) Machines for making, loading or closing cartridges for rifled arms.	....	*Ad valorem*	30 per cent.
		(10) Machines for capping cartridges for rifled arms.	....	,,	30 ,,
58	125	GUNPOWDER for cannons, rifles, guns, pistols and sporting purposes.	....	*Ad valorem*	30 ,,
59	126	Subject to the exemptions specified in No. 60, all ARTICLES, other than those specified in entry No. 57, which are ARMS OR PARTS OF ARMS within the meaning of the Indian Arms Act, 1878 (excluding springs used for air-guns which are dutiable as hardware, under No. 75), all tools used for cleaning or putting together the same, all machines for making, loading, closing or capping cartridges for arms other than rifled arms and all other sorts of ammunition and military stores, and any articles which the Governor-General in Council may, by notification in the *Gazette of India*, declare to be ammunition or military stores for the purposes of this Act.	....	,,	30 ,,
60	12	The following ARMS, AMMUNITION AND MILITARY STORES :—	....	....	Free.
		(*a*) Articles falling under the 5th, 6th, 8th, 9th or 10th item of No. 57 when they appertain to a firearm falling under the 1st or 3rd item and are fitted into the same case with such firearm ;			
		(*b*) Arms forming part of the regular equipment of a commissioned or gazetted officer in His Majesty's Service entitled to wear diplomatic, military, naval, Royal Air Force or police uniform ;			

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*		Rs. a.	
		ARMS, AMMUNITION AND MILITARY STORES.—*contd.*			
		(*c*) A revolver and an automatic pistol and ammunition for such revolver and pistol up to a maximum of 100 rounds per revolver or pistol, (*i*) when accompanying a commissioned officer of His Majesty's regular forces, or of the Indian Auxiliary Force or the Indian Territorial Force or a gazetted police officer, or (*ii*) certified by the commandant of the corps to which such officer belongs, or, in the case of an officer not attached to any corps, by the officer commanding the station or district in which such officer is serving, or in the case of a police officer, by an Inspector-General or Commissioner of Police, to be imported by the officer for the purpose of his equipment;			
		(*d*) Swords for presentation as army or volunter prizes;			
		(*e*) Arms, ammunition, and military stores imported with the sanction of the Government of India for the use of any portion of the military forces of a State in India which may be maintained and organized for Imperial Service;			
		(*f*) Morris tubes and patent ammunition imported by officers commanding British and Indian regiments or volunteer corps for the instruction of their men.			
61	86	EXPLOSIVES, namely, blasting gunpowder, blasting gelatine, blasting dynamite, blasting roburite, blasting tonite, and all other sorts, including detonators and blasting fuse.	....	*Ad valorem*	15 per cent.
		CHEMICALS, DRUGS AND MEDICINES.			
62	13	ANTI-PLAGUE SERUM	....	....	Free.
63	50	COPPERAS, green—			
		(1) imported in bulk	cwt.	3 0	2½ per cent.
		(2) imported otherwise	....	*Ad valorem*	2½ "
64	43	OPIUM and its alkaloids, and their derivatives.	seer of 80 tolas.	....	Rs. a. 24 0 or 15 per cent. *ad valorem*, whichever is higher.
65	14	CINCHONA BARK and the alkaloids extracted therefrom including QUININE.	....	....	Free.
65A	14A	SULPHUR	....	....	Free.
66	88	CHEMICALS, DRUGS AND MEDICINES, all sorts, not otherwise specified:—			
		Alkali, Indian (sajji-khar)	cwt.	3 8	15 per cent.
		Alum (lump)	"	6 0	15 "
		Ammonium chloride—			
		Muriate of Ammonia, crystalline ..	"	20 0	15 "
		Salammoniac, sublimed	"	23 0	15 "
		Other sorts, including compressed..	"	25 0	15 "
		Arsenic (China mansil)	"	85 0	15 "
		" other sorts	..	*Ad valorem*	15 "
		Bleaching powder	cwt.	11 0	15 "
		Calcium chloride	"	5 0	15 "
		Carbide of calcium	"	18 0	15 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*		Rs. a.	
		CHEMICALS, DRUGS AND MEDICINES—*contd.*			
		CHEMICALS, DRUGS AND MEDICINES, all sorts, not otherwise specified—*contd.*			
		Carbonate of ammonia	cwt.	34 0	15 per cent.
		Epsom salts (in bulk)	,,	4 0	15 ,,
		Magnesium chloride	,,	4 0	15 ,,
		Peppermint crystals	lb.	29 0	15 ,,
		Potassium bichromate	cwt.	30 0	15 ,,
		Silicate of soda (in liquid form) ..	,,	8 8	15 ,,
		Soda ash including calcined natural soda and manufactured sesqui-carbonates.	,,	6 0	15 ,,
		Soda, bicarbonate	,,	8 8	15 ,,
		Soda bichromate	,,	25 8	15 ,,
		Soda, caustic, solid	,,	10 8	15 ,,
		,, ,, flake	,,	15 0	15 ,,
		,, ,, powdered	,,	15 8	15 ,,
		Soda crystals (in bulk)	,,	5 8	15 ,,
		Sodium sulphide	,,	8 0	15 ,,
		Sulphate of copper	,,	17 0	15 ,,
		Trona or natural soda uncalcined ..	,,	3 8	15 ,,
		All other sorts of chemical products and preparations not otherwise specified.	....	*Ad valorem*	15 ,,
		Aloe-wood	....	,,	15 ,,
		Asafœtida (hing)	cwt.	100 0	15 ,,
		,, coarse (hingra)	,,	30 0	15 ,,
		Atary, Persian	....	*Ad valorem*	15 ,,
		Banslochan (bamboo camphor) ..	lb.	0 10	15 ,,
		Calumba root	cwt.	5 0	15 ,,
		Camphor, refined, other than powder.	lb.	2 4	15 ,,
		Camphor powder, from Japan ..	,,	2 0	15 ,,
		,, ,, ,, China including Hongkong.	,,	1 12	15 ,,
		Cassia lignea	cwt.	22 0	15 ,,
		China root (chobchini) rough ..	,,	20 0	15 ,,
		,, ,, ,, scraped ..	,,	35 0	15 ,,
		Cubebs	,,	120 0	15 ,,
		Galangal, China	,,	15 0	15 ,,
		Salep	,,	220 0	15 ,,
		Storax, liquid (rose mellos or salaras)	,,	40 0	15 ,,
		All other sorts of drugs, medicines and narcotics.	....	*Ad valorem*	15 ,,
		CONVEYANCES.			
67	142	COAL-TUBS, tipping wagons and the like conveyances designed for use on light rail track, if adapted to be worked by manual or animal labour and if made mainly of iron or steel; and component parts thereof made of iron or steel.	....	,,	25 ,,
	87	TRAMCARS, motor-omnibuses, motor-lorries, motor-vans, passenger lifts, carriages, carts, jinrikshas, bathchairs, perambulators, trucks, wheel barrows, bicycles, tricycles, and all other sorts of conveyances not otherwise specified, and component parts and accessories thereof, except such parts and accessories of the motor vehicles above-mentioned as are also adapted for use as parts or accessories of motor cars, motor cycles, or motor scooters (*see* No. 68).	....	,,	15 ,,
68	127	MOTOR-CARS, motor-cycles, motor-scooters, and articles adapted for use as parts and accessories thereof: provided that such articles as are ordinarily also used for purposes other than as parts and accessories of motor-vehicles included in this item or in No. 67 shall be dutiable at the rate of duty specified for such articles.	....	,,	30 ,,

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*		Rs. a.	
		CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS.			
69	15	The following AGRICULTURAL IMPLEMENTS, namely, winnowers, threshers, mowing and reaping machines, binding machines, elevators, seed and corn crushers, chaff-cutters, root cutters, ensilage cutters, horse and bullock gears, ploughs, cultivators, scarifiers, harrows, clod-crushers, seed-drills, hay-tedders, potato diggers, latex spouts, spraying machines and rakes; also agricultural tractors; also component parts of these implements, machines or tractors; provided that they can be readily fitted into their proper places in the implements, machines or tractors for which they are imported, and that they cannot ordinarily be used for purposes unconnected with agriculture.	....	....	Free.
70	129	ARTICLES PLATED WITH GOLD AND SILVER	....	*Ad valorem*	30 per cent.
71	128	CLOCKS AND WATCHES, and parts thereof..	....	"	30 "
72	89	CUTLERY, excluding plated cutlery (*see* No. 70).	....	"	15 "
73	16	The following DAIRY APPLIANCES, namely, cream separators, milk sterilizing or pasteurizing plant, milk aerating and cooling apparatus, churns, butter dryers, and butter workers; also component parts of these appliances, provided that they can be readily fitted into their proper places in the appliances for which they are imported, and that they cannot ordinarily be used for other than dairy purposes.	....	....	Free.
74	90A	ELECTRICAL CONTROL GEAR AND TRANSMISSION GEAR, namely, switches, fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten *amperes* and at a pressure not exceeding 250 volts, and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which has a sectional area of less than one-eightieth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity; and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purposes, and the fittings thereof.	....	*Ad valorem*	15 per cent.
75	90	HARDWARE, IRONMONGERY AND TOOLS, all sorts, not otherwise specified.	....	"	15 "
76	17	INSTRUMENTS, APPARATUS, AND APPLIANCES, imported by a passenger as part of his personal baggage and in actual use by him in the exercise of his profession or calling.	....	....	Free.
77	130	MUSICAL INSTRUMENTS and parts thereof.	....	*Ad valorem*	30 per cent.
78	59	TELEGRAPHIC INSTRUMENTS AND APPARATUS, and parts thereof, imported by, or under the orders of, a railway company.	....	"	10 "
79	18	WATER-LIFTS, SUGAR-MILLS, OIL-PRESSES, and parts thereof, when constructed so that they can be worked by manual or animal power.	....	....	Free.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*		Rs. a.	
		CUTLERY, HARDWARE, IMPLEMENTS & INSTRUMENTS—*contd.*			
80	91	All other sorts of IMPLEMENTS, INSTRUMENTS, APPARATUS AND APPLIANCES, and parts thereof, not otherwise specified. *	....	*Ad valorem*	15 per cent.
		DYES AND COLOURS.			
81	92	DYEING AND TANNING SUBSTANCES, all sorts, and PAINTS AND COLOUR and painters' materials, all sorts—			
		Alizarine dye, dry, not exceeding 40 per cent.	lb.	1 8	15 ,,
		,, ,, ,, over 40 per cent. but not exceeding 50 per cent.	,,	1 12	15 ,,
		,, ,, ,, over 50 per cent. but not exceeding 60 per cent.	,,	2 0	15 ,,
		,, ,, ,, over 60 per cent. but not exceeding 70 per cent.	,,	2 4	15 ,,
		,, ,, ,, over 70 per cent. but not exceeding 80 per cent.	,,	2 8	15 ,,
		,, ,, ,, over 80 per cent.	,,	3 0	15 ,,
		,, ,, moist, not exceeding 10 per cent.	,,	0 6	15 ,,
		,, ,, ,, over 10 per cent. and not exceeding 16 per cent.	,,	0 7	15 ,,
		,, ,, ,, over 16 per cent. and not exceeding 20 per cent.	,,	0 9	15 ,,
		,, ,, ,, exceeding 20 per cent.	,,	0 14	15 ,,
		Aniline dye, moist	,,	1 12	15 ,,
		,, dyes, black, of sulphur series..	,,	0 10	15 ,,
		,, ,, congo red	,,	1 0	15 ,,
		All other aniline dyes, dry	,,	2 2	15 ,,
		Aniline salts	....	*Ad valorem*	15 ,,
		Avar bark	cwt.	4 8	15 ,,
		Cochineal	lb.	1 4	15 ,,
		Gallnuts (myrobalans)	....	*Ad valorem*	15 ,,
		,, Persian	cwt.	35 0	15 ,,
		Gamboge	lb.	2 4	15 ,,
		Turmeric	cwt.	25 0	15 ,,
		All other sorts of dyeing and tanning materials.	....	*Ad valorem*	15 ,,
		Lead, red, dry	cwt.	32 0	15 ,,
		,, white, dry	,,	32 0	15 ,,
		Lithopone	,,	16 0	15 ,,
		Turpentine	Imperial gallon.	5 0	15 ,,
		Vermilion, Canton	box of 90 bundles.	160 0	15 ,,
		Zinc, white, dry	cwt.	35 0	15 ,,
		All other sorts of paints, colours, pigment ores and painters' materials not otherwise specified, including glue and putty.	....	*Ad valorem*	15 ,,
		FURNITURE, CABINETWARE AND MANUFACTURES OF WOOD.			
82	93	FURNITURE, CABINETWARE, and all other manufactures of wood not otherwise specified.	....	,,	15 ,,

* Under Government of India, Finance Department (Central Revenues) Notification No. 96-1—Cus-25, dated the 28th February, 1925, apparatus for wireless telegraphs designed either for transmission or reception whether by telegraphy or telephony, when imported in accordance with the orders for the time being governing the importation of such apparatus, is liable to duty at 2½ per cent. *ad valorem*.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*		Rs. a. p.	
		GLASSWARE AND EARTHENWARE.			
83	94	GLASS AND GLASSWARE, lacquered ware, earthenware, China and porcelain; all sorts, except glass bangles, beads, and false pearls and aerated water bottles (Codd's pattern) (*see* Nos. 84 and 85).	....	*Ad valorem*	15 per cent.
84	94	Aerated water bottles (Codd's pattern), empty:—			
		Under 10 ozs.	gross	30 0 0	15 "
		10 ozs.	"	32 0 0	15 "
		Over 10 ozs.	"	36 0 0	15 "
85	131	GLASS BEADS AND FALSE PEARLS ..	....	*Ad valorem*	30 "
		GLASS BANGLES—			
		China—			
		Nimuchi and pasalal	100 pairs	1 8 0	30 "
		Bracelet Jadi and fancy all kinds ..	"	4 0 0	30 "
		Rajawarakh all kinds	"	6 0 0	30 "
		Japan—			
		Reshmi, plain or fancy, all colours:—			
		Hollow or Tube	dozen pairs	0 1 9	30 "
		Vakmel or Zigzag	"	0 2 0	30 "
		All others	"	0 1 0	30 "
		Sonerikada (golbala)	"	0 3 6	30 "
		European—			
		Common, including plain colour, painted or flowered, but excluding vakmel or zigzag:—			
		Garnet and ruby, excluding pasalal	"	0 5 0	30 "
		All colours, excepting garnet and ruby, but including pasabadrang.	"	0 3 0	30 "
		Gilt and fancy, all sizes, including Kerihira, Chandtera, Salmadar, "K" flower, and Momachi, and including pressed and painted.	"	1 0 0	30 "
		Pasaful and machine polished, thin, including patli-flower and fancy round rings, but excluding vakmel or zigzag.	"	0 7 0	30 "
		Common mirror bangles including chasma and Ranidarbar.	"	0 9 0	30 "
		Pasalal	"	0 5 0	30 "
		Vakmel or zigzag, plain or fancy, all colours.	"	0 10 0	30 "
		All other kinds	....	*Ad valorem*	30 "
		HIDES, SKINS AND LEATHER.			
86	95	HIDES AND SKINS not otherwise specified, LEATHER AND LEATHER MANUFACTURES, all sorts, not otherwise specified.		*Ad valorem*	15 "
		MACHINERY.			
87	51	MACHINERY, namely, such of the following articles as are not specified in any of the following numbers, namely, Nos. 67, 68, 69, 73, 74, 88A, 89, 108, 114, 127, 132 and 134 :— (1) prime-movers, boiler, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts; (2) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts;	....	"	2½ "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
				Rs. a.	
		III.—Articles Wholly or Mainly Manufactured—*contd.*			
		MACHINERY—*contd.*			
		(3) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose;			
		(4) control gear, self-acting or otherwise, and transmission gear designed for use with any machinery above specified, including belting of all materials and driving chains but not driving ropes;			
		(5) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not; and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof.			
		Note.—The term "industrial system" used in sub-clause (3) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.			
88	51A	COMPONENT PARTS OF MACHINERY, as defined in No. 87, namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose; Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.	....	*Ad valorem*	2½ per cent.
88A	51B	HEALDS, heald cords, heald knitting needles, reeds and shuttles.	....	,,	2½ ,,
89	96	MACHINERY and component parts thereof, meaning machines or parts of machines to be worked by manual or animal labour, not otherwise specified (*see* Nos. 69, 73, 79 and 88A) and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one quarter of one brake-horse-power.	....	,,	15 ,,
		METALS, IRON AND STEEL.			
90		IRON—			
		ANGLE, channel and tee, not fabricated—			
	60	Crown and superior qualities ..	ton	200 0	10 ,,
	143	Other kinds	,,	Specific	20 Rs.
	60	,, ,, if galvanised, tinned, or lead coated.	,,	200 0	10 per cent.
	143	ANGLE, channel and tee, fabricated ..	....	*Ad valorem*	15 ,,

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*			
		METALS, IRON AND STEEL—*contd.*		Rs. a.	
		IRON—*contd.*			
		BAR AND ROD—			
	60	Qualities superior to Grade A of the British Engineering Standard Association.	ton	350 0	10 per cent.
	,,	Grade A of the British Engineering Standard Association and Crown quality and intermediate qualities—			
		Over ½ inch in diameter or thickness.	,,	190 0	10 ,,
		½ inch and under in diameter or thickness.	,,	220 0	10 ,,
	144	Common	,,	Specific	35 Rs.
	60	,, if galvanised, tinned, or lead coated.	,,	180 0	10 per cent.
	,,	All other sorts	....	*Ad valorem*	10 ,,
	,,	PIG	ton	80 0	10 ,,
	,,	RICE BOWLS	cwt.	22 0	10 ,,
	,,	SPIEGELEISEN, ferro-manganese, ferro-silicon and other ferro-alloys.	....	*Ad valorem*	10 ,,
91		STEEL—			
	62	ALLOY STEEL, all kinds	....	,,	10 ,,
	,,	ANGLE and tee if galvanised, tinned or lead coated:—			
		Not fabricated	ton	180 0	10 ,,
		If fabricated..	....	*Ad valorem*	10 ,,
	150	ANGLE and tee, all other sorts, and beam, channel, zed, troughplate, piling and other structural sections—			
		Not fabricated	ton	Specific	30 Rs.
		If fabricated..	....	*Ad valorem*	25 per cent.
		BAR AND ROD—			
	62	Planished or polished including bright steel shafting.	ton	240 0	10 ,,
	,,	Galvanised or coated with other metals.	,,	180 0	10 ,,
	151	Common merchant, and bar and rod designed for the reinforcing of concrete, all sizes.	,,	Specific	40 Rs.
	62	All sorts not otherwise specified ..	....	*Ad valorem*	10 per cent.
	,,	CRUCIBLE, shear, blister and tub steel all kinds.	....	,,	10 ,,
	,,	INGOTS, blooms and billets	....	,,	10 ,,
		RAILWAY TRACK MATERIAL—			
	152	Rails 30 lbs. and over per yard, and fishplates therefor.	ton	Specific	14 Rs.
	,,	Rails under 30 lbs. per yard, and fishplates therefor.	,,	,,	40 Rs.
	61	Bearing plates	....	*Ad valorem*	10 per cent.
	152	Spikes and tie-bars	ton	Specific	40 Rs.
	61	Sleepers and fastenings therefor and lever boxes.	....	*Ad valorem*	10 per cent.
	152	Switches, crossings and the like material not made of alloy steel.	....	,,	25 ,,
	62	SLABS, 1½ inch thick or over	....	,,	10 ,,
	,,	STEEL for springs and for cutting tools made by any process.	....	,,	10 ,,
	153	STRUCTURES fabricated partially or wholly, not otherwise specified, if made mainly or wholly of steel bars, sections, plates or sheets, for the construction of buildings, bridges, tanks, well-curbs, trestles, towers and similar structures or for parts therefor, but not including builders' hardware (*see* No. 75) or articles specified in Nos. 67, 87, 88 or 136.	....	,, ...	25 ,,
	154	TIN plates and tinned sheets, including tin taggers.	ton	Specific	85 Rs.
	,,	TIN plate cuttings	....	*Ad valorem*	15 per cent.
	61	TRAMWAY TRACK MATERIAL—			
		Rails, fish-plates, tie-bars, switches, crossings and the like materials of shapes and sizes specially adapted to tramway track.	....	,,	10 ,,

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*		Rs. a.	
		METALS, IRON AND STEEL—*contd.*			
92		IRON OR STEEL—			
	61	ANCHOR AND CABLES	....	*Ad valorem*	10 per cent.
	,,	BOLTS and nuts, including hook bolts and nuts for roofing.	....	,,	10 ,,
		DISCS AND CIRCLES—			
	148A	(*a*) Cut from plates or sheets of the kind specified under Nos. 147 and 148 in the Statutory Schedule :—			
		Galvanised	ton	Specific	45 Rs.
		Not galvanised	,,	,,	30 Rs.
	61	(*b*) Others	....	*Ad valorem*	10 per cent.
	,,	EXPANDED METAL	....	,,	10 ,,
	,,	HOOPS AND STRIPS—			
		Having a Brinell hardness number of 143 or over, or being coated with other metals.	ton	215 0	10 ,,
		Having a Brinell hardness number of less than 143 and not being coated with other metals.	,,	170 0	10 ,,
		NAILS, RIVETS AND WASHERS, all sorts—			
	145	Nails, wire or French	cwt.	Specific	3 Rs.
	61	,, rose, deck, and flat-headed ..	,,	18 0	10 per cent.
	,,	,, bullock and horse-shoe ..	,,	50 0	10 ,,
	61	Panel pins, 16 gauge and smaller ..	,,	18 0	10 ,,
	,,	Nails, other kinds, including galvanised, tinned or lead coated and tacks.	,,	25 0	10 ,,
	,,	Rivets, boilermakers' or structural, if black.	,,	12 0	10 ,,
	,,	Rivets, other sorts	....	*Ad valorem*	10 ,,
	,,	Washers, black, structural	cwt.	14 0	10 ,,
	,,	,, other sorts, including galvanised, nickel-plated, tinned or lead coated and dome-shaped, spring or locking washers.	....	*Ad valorem*	10 ,,
		PIPES AND TUBES, and fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks, and the like—			
	146	If riveted or otherwise built up of plates or sheets.	....	,,	25 ,,
	61	All other kinds	....	,,	10 ,,
		PLATES not under ⅛ inch thick, including sheets ⅛ inch thick or over—			
	61	Boiler fire-box and special qualities, not fabricated.	ton	300 0	10 ,,
	,,	Chequered, not fabricated	,,	120 0	10 ,,
	,,	Galvanised, plain, not fabricated ..	,,	280 0	10 ,,
	147	Ship, tank, bridge and common, not fabricated.	,,	Specific	30 Rs.
	,,	Cuttings, all kinds	,,	,,	25 Rs.
	,,	All kinds, fabricated	....	*Ad valorem*	25 per cent.
		SHEETS under ⅛ inch thick, not fabricated—			
	148	Black, whether corrugated or flat ..	ton	Specific	30 Rs.
	,,	Galvanised, whether corrugated or flat.	,,	,,	45 Rs.
	,,	Cuttings of the above kinds of sheets..	....	*Ad valorem*	15 per cent.
	61	If annealed which have been either cold-rolled, smoothed (including planished), pickled or cleaned by acid or other material or process.	ton	200 0	10 ,,
	,,	Other sorts, including cuttings not otherwise specified.	....	*Ad valorem*	10 ,,
	148	SHEETS under ⅛ inch thick, fabricated—			
		All sorts	....	,,	15 ,,
		WIRE—			
	61	Barbed and stranded fencing ..	....	,,	10 ,,
	97	Netting	....	,,	15 ,,
	149	All other kinds	ton	Specific	60 Rs.
	61	WIRE rope	....	*Ad valorem*	10 per cent.
	,,	IRON OR STEEL designed for the reinforcing of concrete, not otherwise specified (*see* Nos. 90 and 91).	....	,,	10 ,,

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articels.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*		Rs. a.	
		METALS, IRON AND STEEL—*concld.*			
		IRON OR STEEL—*contd.*			
	97	IRON OR STEEL, all other kinds not otherwise specified.	....	*Ad valorem*	15 per cent.
93	97	IRON AND STEEL CANS OR DRUMS—			
		When imported containing kerosene and motor spirit which are separately assessed to duty under Nos. 34 and 34A., namely :—			
		Cans, tinned, of four gallons capacity.	can	0 8	15 ,,
		Cans or drums, not tinned, of two gallons capacity—			
		(*a*) with faucet caps	can or drum	1 8	15 ,,
		(*b*) ordinary	,,	0 6	15 ,,
		Drums of four gallons capacity—			
		(*a*) with faucet caps	drum	2 3	15 ,,
		(*b*) ordinary	,,	1 8	15 ,,
		Iron or steel cans or drums, other sorts.	....	*Ad valorem*	15 ,,
		METALS, OTHER THAN IRON AND STEEL.			
94	19	CURRENT NICKEL, BRONZE, AND COPPER COIN of the Government of India.	....	....	Free.
95	20	GOLD AND SILVER BULLION and coin ..	....	....	Free.
96	132	GOLD PLATE, GOLD THREAD and WIRE, and GOLD MANUFACTURES, all sorts.	....	*Ad valorem*	30 per cent.
97	133	SILVER PLATE, SILVER THREAD and WIRE, and SILVER MANUFACTURES, all sorts.	....	,,	30 ,,
98	98	ALL SORTS OF METALS OTHER THAN IRON AND STEEL, and manufactures thereof, not otherwise specified—			
		Aluminium circles	lb.	0 15	15 ,,
		,, sheets, plain	,,	0 14	15 ,,
		Brass, patent or yellow metal, sheets and sheathing, weighing 1 lb. or above per square foot, and braziers, and plates.	cwt.	50 0	15 ,,
		Brass, patent or yellow metal (including gun metal) ingots.	,,	32 0	15 ,,
		Brass, patent or yellow metal, old ..	,,	27 0	15 ,,
		,, sheets, flat or in rolls, and sheathing, weighing less than 1 lb. per square foot.	....	*Ad valorem*	15 ,,
		Brass, wire	....	,,	15 ,,
		,, all other sorts	....	,,	15 ,,
		Copper, bolt and bar, rolled.. ..	....	,,	15 ,,
		,, braziers, sheets, plates and sheathing.	cwt.	55 0	15 ,,
		,, sheets, planished	....	*Ad valorem*	15 ,,
		,, nails and composition nails .	....	,,	15 ,,
		,, old	cwt.	36 0	15 ,,
		,, pigs, tiles, ingots, cakes, bricks, and slabs.	,,	50 0	15 ,,
		,, China, white, copperware ..	lb.	3 0	15 ,,
		,, foil or dankpana, plain, white, 10 to 11 in. × 4 to 5 in.	hundred leaves	2 0	15 ,,
		,, foil or dankpana, plain, coloured, 10 to 11 in. × 4 to 5 in.	,,	2 4	15 ,,
		,, wire, including phosphor-bronze.	....	*Ad valorem*	15 ,,
		,, all other sorts, unmanufactured and manufactured, except current coin of the Government of India, which is free.	....	,,	15 ,,
		German silver	....	,,	15 ,,
		Lead, pig	cwt.	25 0	15 ,,
		Lead, all sorts (except pig)	....	*Ad valorem*	15 ,,
		Quicksilver	lb.	2 8	15 ,,
		Tin, block	ton	250 0	
		,, foil, and other sorts	....	*Ad valorem*	15 ,,
		Zinc or spelter, tiles, slabs or plates, hard or soft.	cwt.	25 0	15 ,,
		,, ,, all other sorts, including boiler tiles and sheets.	....	*Ad valorem*	15 ,,
		All other sorts of metals, and manufacturer thereof.	....	,,	15 ,,

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*		Rs. a. p.	
		PAPER, PASTEBOARD AND STATIONERY.			
99	99 155 156	PAPER AND ARTICLES MADE OF PAPER AND PAPIER MACHE, PASTEBOARD, MILLBOARD, AND CARDBOARD, all sorts, and STATIONERY, including drawing and copy books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter, and other cards, including cards in booklet form, including also wastepaper and old newspapers for packing except old newspapers in bales and bags, but excluding trade catalogues and advertising circulars imported by packet, book, or parcel post (*see* No. 100) and postage stamps, whether used or unused (*see* No. 100A) and also excluding the descriptions given below :—	....	*Ad valorem*	15 per cent.
		Old newspapers in bales and bags ..	cwt.	5 8 0	15 ,,
		Printing paper, white or coloured—			
		All sorts containing less than 65 per cent. of mechanical wood pulp, but excluding chrome, marble, flint, poster and stereo.	lb.	Specific.	1 anna.
		Newsprinting paper, containing not less than 65 per cent. of mechanical wood pulp, glazed or unglazed—			
		White or grey	,,	0 2 3	15 per cent.
		Coloured	,,	0 2 6	15 ,,
		Other sorts, including chrome, marble, flint, poster and stereo.	....	*Ad valorem*	15 ,,
		Packing and wrapping paper—			
		Nature brown, and machine-glazed pressings and machine-glazed wrappings.	lb.	0 2 6	15 ,,
		Manilla, machine-glazed or unglazed, and sulphite envelope.	,,	0 2 9	15 ,,
		Kraft and imitation kraft	,,	0 3 0	15 ,,
		Other sorts, including tissues ..	....	*Ad valorem*	15 ,,
		Writing paper, all sorts, including ruled or printed forms and account and manuscript books and the binding thereof.	lb.	Specific.	1 anna.
		Strawboards	cwt.	7 8 0	15 per cent.
100	21	TRADE CATALOGUES AND ADVERTISING CIRCULARS imported by packet, book, or parcel post	....	....	Free.
100 A	21A	POSTAGE STAMPS, whether used or unused.	....	....	Free.
		RAILWAY PLANT AND ROLLING STOCK.			
101	63	RAILWAY MATERIALS FOR PERMANENT WAY AND ROLLING STOCKS, NAMELY:—			
		Sleepers, and fastenings therefor; bearing-plates, fish-bolts and nuts, chairs, interlocking apparatus, brake-gear, shunting skids, couplings and springs, signals, turn-tables, weigh-bridges, carriages, wagons, traversers, rail removers, scooters, trollies, trucks, and component parts thereof; switches, crossings, and the like material made of alloy steel; also cranes and water tanks, when imported by, or under the orders of, a railway company.	....	*Ad valorem*	10 per cent
		Provided that for the purpose of this entry " railway " means a line of railway subject to the provisions of the Indian Railways Act, 1890, and includes a railway constructed in a State in India and also such tramways as the Governor-General in Council may, by notification in the *Gazette of India*, specifically include therein :			

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*			
		RAILWAY PLANT AND ROLLING STOCK—*contd.*			
		RAILWAY MATERIALS FOR PERMANENT WAY AND ROLLING STOCK, NAMELY—*contd.*			
		Provided also that nothing shall be deemed to be dutiable hereunder which is dutiable under No. 87 or No. 88.			
102	63A	COMPONENT PARTS OF RAILWAY MATERIALS, as defined in No. 101, namely, such parts only as are essential for the working of railways and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose:	....	*Ad valorem*	10 per cent.
		Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the railway material to which they belong, if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.			
		YARNS AND TEXTILE FABRICS.			
103	45	COTTON PIECE-GOODS	....	"	11 "
104	44	COTTON TWIST AND YARN, and COTTON SEWING OR DARNING THREAD.	....	"	5 "
105	22	SECOND-HAND OR USED GUNNY BAGS OR CLOTH made of jute.	....	....	Free.
106	100	YARNS AND TEXTILE FABRICS, that is to say:—			
		Cotton thread other than sewing or darning thread, and all other manufactured cotton goods not otherwise specified.	....	*Ad valorem*	15 per cent.
		Flax, twist and yarn, and manufactures of flax.	....	"	15 "
		Haberdashery and millinery, excluding articles made of silk.	....	"	15 "
		Hemp manufactures	....	"	15 "
		Hosiery, excluding articles made of silk .	....	"	15 "
		Jute, twist and yarn, and jute manufactures, excluding second-hand or used gunny bags or cloth (*see* No. 105)	....	"	15 "
		Silk yarn, noils and warps, and silk thread.	....	"	15 "
		Woollen yarn, knitting wool, and other manufactures of wool, including felt.	....	"	15 "
		All other sorts of yarns and textile fabrics, not otherwise specified.	....	"	15 "
106 A	100A	SILK GOODS used or required for medical purposes, namely, silk ligatures; elastic silk hosiery, elbow pieces, thigh pieces, knee caps, leggings, socks, anklets, stockings, suspensory bandages; silk abdominal belts, silk-web catheter tubes, and oiled silk.	....	"	15 "
107 A	45A	SILK MIXTURES, that is to say— .. (*a*) fabrics composed in part of some other textile than silk and in which any portion either of the warp or of the weft but not of both is silk; (*b*) fabrics not being silk on which silk is superimposed such as embroidered fabrics; (*c*) articles made from such fabrics and not otherwise specified (*see* No. 106A).	....	*Ad valorem*	20 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*		Rs. a.	
		YARNS AND TEXTILE FABRICS—*contd.*			
107 B	134	SILK PIECE-GOODS and other manufactures of silk, not otherwise specified (*see* Nos. 106A and 107A).	....	*Ad valorem*	30 per cent.
		Upon the following articles duty will be charged at the rate of Serial No. 107A or No. 107B, whichever is applicable, on the basis of the following valuations :—			
		Silk piece-goods (white or coloured, plain or figured and all widths) from Japan and China (including Hongkong)—			
		Japan—			
		Paj, all kinds, including Habutai, Shioji, Thama, Junken and Nankin, and including striped, printed, woven so-called (*i.e.*, swivel weave-work or Khakho embroidered), embossed and pineapples.	lb.	21 0	
		Satins, Taffetas, and Kohakus, all kinds, including striped, printed, woven so-called (*i.e.*, swivel weave-work or Khakho embroidered), and embossed.	,,	23 0	
		Twill, all kinds	,,	25 0	
		Jarina (gold embroidered)	,,	27 0	
		Fugi and Boseki, all kinds	,,	12 0	
		Fancies, printed and woven so-called (*i.e.*, swivel weave-work or Khakho embroidered), including Georgettes, crepes, ninons and gauzes.	,,	29 0	
		Embroideries and embroidered piece-goods, excluding Burmese scarves.	,,	42 0	
		Shawls, dhuties, handkerchiefs, hosiery, mufflers and scarves, excluding Burmese scarves.	,,	40 0	
		Dupettas and China silk patkas ..	,,	17 0	
		Burmese scarves (*a*) Paj or Habutai .	,,	38 0	
		(*b*) Other kinds ..	,,	40 0	
		Cotton and silk mixed satins, embroidered.	,,	13 0	
		Cotton and silk mixed satins, other kinds.	,,	8 0	
		Cotton and silk mixed hosiery ..	,,	28 0	
		Cotton and silk mixed Fugi and Boseki, all kinds.	,,	10 0	
		Silk Fents	,,	12 0	
		China (including Hongkong but excluding Cantons)—			
		Honans, all kinds, and patkas ..	,,	7 0	
		Shantungs and Tussores, all kinds, including patkas.	,,	4 8	
		Corded, all kinds, excepting white cords.	,,	5 0	
		White cords, all kinds	,,	10 8	
		Crepe, gauze, and paj, all kinds ..	,,	21 0	
		Satins and fancies, all kinds, including loongies and stripes, Taffetas and Pagris, all kinds.	,,	21 8	
		Fugi and Boseki, all kinds	,,	10 0	
		Cantons, all kinds	....	*Ad valorem*	
		Silk piece-goods, apparel and other manufactures of silk not otherwise specified.	....	,,	
		MISCELLANEOUS.			
108	53	AEROPLANES, aeroplane parts, aeroplane engines, aeroplane engine parts and rubber tyres and tubes used exclusively for aeroplanes.	....	,,	2½ per cent.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*		Rs. a.	
		MISCELLANEOUS—*contd.*			
109	23	ART, the following works of:—(1) statuary and pictures intended to be put up for the public benefit in a public place, and (2) memorials of a public character intended to be put up in a public place, including the materials used or to be used in their construction, whether worked or not.	....	....	Free.
110	101	ART, works of, excluding those specified in No. 109.	....	*Ad valorem*	15 per cent.
111	120	BANGLES—			
		Celluloid, plain, flat, with and without border.	dozen pairs	1 14	15 ,,
		,, (rubber) rings excluding coils	,,	0 6	15 ,,
		,, other sorts	....	*Ad valorem*	15 ,,
112	24	BOOKS, printed, including covers for printed books, maps, charts, and plans, proofs, music and manuscripts.	....	....	Free.
113	102	BRUSHES AND BROOMS	....	*Ad valorem*	15 per cent.
114	103	BUILDING AND ENGINEERING MATERIALS, including asphalt, bricks, cement other than Portland cement, chalk and lime, clay other than China clay (*see* No. 116), pipes of earthenware, tiles, firebricks not being component parts of any articles included in No. 87 or No. 101, and all other sorts of building and engineering materials not otherwise specified including bitumen and other insulating materials.	....	,,	15 ,,
		Portland cement	cwt.	2 12	15 ,,
115	104	CANDLES	....	*Ad valorem*	15 ,,
116	123	China clay	ton	85 0	15 ,,
117	105	CINEMATOGRAPH FILMS—			
		Exposed standard positive films, new or used.	foot	0 4	15 ,,
		Other films	....	*Ad valorem*	15 ,,
118	106	CORDAGE AND ROPE AND TWINE OF VEGETABLE FIBRE excluding coir yarn.	....	,,	15 ,,
		Coir yarn	cwt.	12 8	15 ,,
118 A	106 A	FIREWORKS specially prepared as danger or distress lights for the use of ships.	....	*Ad valorem*	15 ,,
119	135	FIREWORKS not otherwise specified (*see* No. 118A).	....	,,	30 ,,
120	107	FURNITURE, TACKLE AND APPAREL, not otherwise described, for steam, sailing, rowing and other vessels.	....	,,	15 ,,
121	136	IVORY, manufactured	....	,,	30 ,,
122	137	JEWELLERY AND JEWELS..	....	,,	30 ,,
123	46	MATCHES—			Rs. a. p.
		(1) In boxes containing on the average not more than 100 matches.	gross of boxes.	....	1 8 0
		(2) In boxes containing on the average more than 100 matches.	for every 25 matches or fraction thereof in each box, per gross of boxes.	....	0 6 0
123 A	46A	Undipped SPLINTS such as are ordinarily used for match making.	lb.	....	0 4 6
123 B	46B	VENEERS such as are ordinarily used for making match boxes, including boxes and parts of boxes made of such veneers.	lb.	....	0 6 0
124	108	MATS AND MATTING	....	*Ad valorem*	15 per cent.
125	109	OILCAKES	....	,,	15 ,,
126	110	OILCLOTH AND FLOOR CLOTH ..	....	,,	15 ,,
127	111	PACKING—ENGINE AND BOILER—all sorts, excluding packing forming a component part of any article included in Nos. 87, 88 and 101.	....	,,	15 ,,

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles Wholly or Mainly Manufactured—*contd.*		Rs. a.	
		MISCELLANEOUS—*contd.*			
128	112	PERFUMERY, not otherwise specified—			
		Gowla, husked and unhusked ..	cwt.	50 0	15 per cent.
		Kapurkachri (zedoary)	"	25 0	15 "
		Patch leaves (patchouli)	"	25 0	15 "
		Rose-flowers, dried	"	15 0	15 "
		All other sorts	....	*Ad valorem*	15 "
129	113	PITCH, TAR AND DAMMER—			
		Coal pitch	cwt.	5 0	15 "
		Coal tar	....	*Ad valorem*	15 "
		Stockholm pitch	cwt.	18 0	15 "
		Stockholm tar	"	16 0	15 "
		Dammer Batu	"	7 8	15 "
		Other sorts	....	*Ad valorem*	15 "
130	139	PNEUMATIC RUBBER TYRES AND TUBES for motor cars, motor lorries, motor-cycles, and motor scooters.	....	"	30 "
131	114	POLISHES AND COMPOSITIONS	....	"	15 "
132	54	PRINTING AND LITHOGRAPHING MATERIAL, namely, presses, type, ink, aluminium lithographic plates, brass rules, composing sticks, chases, imposing tables, and lithographic stones, stereo blocks, wood blocks, half-tone blocks, electrotype blocks, roller moulds, roller frames and stocks, roller composition, standing screw and hot presses, perforating machines, gold blocking presses, galley presses, proof presses, arming presses, copper plate printing presses, rolling presses, ruling machines, ruling pen making machines, lead and rule cutters, type casting machines, type setting and casting machines, rule bending machines, rule mitreing machines, bronzing machines, leads, wooden and metal quoins, shooting sticks and galleys, stereotyping apparatus, metal furniture, paper folding machines, and paging machines, but excluding paper (*see* No. 99).	....	"	2½ "
133	138	PRINTS, ENGRAVINGS AND PICTURES, including photographs and picture post cards.	....	"	30 "
134	55	RACKS for the withering of tea leaf ..	....	*Ad valorem*	2½ per cent.
135	115	RUBBER tyres and other manufactures of rubber, not otherwise specified (*see* Nos. 108 and 130).	....	"	15 "
136	64	SHIPS AND OTHER VESSELS for inland and harbour navigation, including steamers, launches, boats and barges, imported entire or in sections: Provided that articles of machinery as defined in No. 87 or No. 88 shall, when separately imported, not be deemed to be included hereunder.	....	"	10 "
137	140	SMOKERS' REQUISITES, excluding tobacco (Nos. 26 to 28) and matches (No. 123).	....	"	30 "
138	116	SOAP	....	"	15 "
139	117	STARCH AND FARINA	....	"	15 "
140	118	STONE AND MARBLE, and articles made of stone and marble.	....	"	15 "
141	119	TOILET REQUISITES, not otherwise specified.	....	"	15 "
142	141	TOYS, games, playing cards and requisites for games and sports, excluding bird-shot.	....	"	30 "
		Bird-shot	cwt.	35 0	30 "
143	120	ALL OTHER ARTICLES wholly or mainly manufactured, not otherwise specified.	....	*Ad valorem*	15 "

SCHEDULE II.—IMPORT TARIFF—*concld.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		IV.—Miscellaneous and Unclassified.			
144	25	ANIMALS, living, all sorts	....	....	Free.
145	121	CORAL	....	*Ad valorem*	15 per cent.
146	57	FODDER, BRAN AND POLLARDS	....	"	2½ "
147	26	SPECIMENS illustrative of natural science, and medals and antique coins.	....	....	Free.
148	122	UMBRELLAS, including parasols and sunshades, and fittings therefor.	....	*Ad valorem*	15 per cent.
149	123	ALL OTHER ARTICLES NOT OTHERWISE SPECIFIED, including articles imported by post.*	....	"	15 "

* Under Government of India, Finance Department (Central Revenues) Notification No. 109-1—Cus.-25, dated the 17th March, 1925, insignia and badges of official British and Foreign Orders are exempt from payment of import duty.

SCHEDULE III.—EXPORT TARIFF.

No.	Names of Articles.	Per	Tariff Valuation.	Rate of Duty.
	JUTE OTHER THAN BIMLIPATAM JUTE.		Rs. a. p.	Rs. a.
1	RAW JUTE—			
	(1) Cuttings	Bale of 400 lbs.	....	1 4
	(2) All other descriptions	,,	....	4 8
2	JUTE MANUFACTURES when not in actual use as coverings, receptacles or bindings for other goods—			
	(1) Sacking (cloth, bags, twist, yarn, rope and twine).	Ton of 2,240 lbs.	..	20 0
	(2) Hessians and all other descriptions of jute manufactures not otherwise specified.*	,,	....	32 0
	RICE.			
3	RICE, husked or unhusked, including rice flour, but excluding rice bran and rice dust, which are free.	Indian maund of 82 2/7 lbs. avoirdupois weight.	....	0 3
	TEA.			
4	TEA..	100 lbs.	....	1 8
5	RAW HIDES AND SKINS IF EXPORTED FROM BURMA.			
	(1) ARSENICATED AND AIR-DRIED HIDES—			
	(a) Cows (including calf skins) ..	lb.	0 6 6	5 per cent.
	(b) Buffaloes (including calf skins) ..	,,	0 3 6	5 ,,
	(2) DRY SALTED HIDES—			
	(a) Cows (including calf skins). ..	,,	0 5 0	5 ,,
	(b) Buffaloes (including calf skins) ..	,,	0 3 6	5 ,,
	(3) WET SALTED HIDES—			
	(a) Cows (including calf skins) ..	,,	0 4 0	5 ,,
	(b) Buffaloes (including calf skins) ..	,,	0 2 0	5 ,,
	(4) GOAT AND KID SKINS	Piece	1 4 0	5 ,,
	(5) SHEEP SKINS	,,	0 10 0	5 ,,
6	RAW HIDES AND SKINS IF EXPORTED FROM ANY PLACE IN BRITISH INDIA OTHER THAN BURMA.			
	(1) ARSENICATED AND AIR-DRIED HIDES—			
	(a) Cows (including calf skins). Framed ..	lb.	0 11 0	5 ,,
	(a) Cows (including calf skins). Unframed ..	,,	0 7 6	5 ,,
	(b) Buffaloes (including calf skins). Framed ..	,,	0 6 0	5 ,,
	(b) Buffaloes (including calf skins). Unframed ..	,,	0 4 0	5 ,,
	(2) DRY SALTED HIDES—			
	(a) Cows (including calf skins) ..	,,	0 6 6	5 ,,
	(b) Buffaloes (including calf skins) ..	,,	0 3 3	5 ,,
	(3) WET SALTED HIDES—			
	(a) Cows (including calf skins) ..	,,	0 4 0	5 ,,
	(b) Buffaloes (including calf skins) ..	,,	0 2 6	5 ,,
	(4) GOAT AND KID SKINS	Piece	1 8 0	5 ,,
	(5) SHEEP SKINS	,,	1 0 0	5 ,,

* Under Government of India Notification No. 1428, dated 17th November, 1923, Jute Rags such as are used for paper making, are exemp from payment of export duty provided that the Customs Collector is satisfied that they are useless for any purpose to which cloth or rope is ordinarily put.

APPENDIX 18.

IMPORT DUTY ON SILVER.

UPPER INDIA CHAMBER OF COMMERCE,
CAWNPORE, 14*th May*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

My Committee have before them a proposal that a valuable source of revenue to the State lies in the taxation of imported silver bullion.

I shall be glad to know whether your Association has ever had this proposal under consideration and, if so, how the matter has been considered.

A reference to the subject in any of your reports for past years would suffice to acquaint me with the views of your Association on the subject.—Yours faithfully,

J. G. RYAN,
Secretary.

No. 698/97 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 28*th May*, 1925.

THE SECRETARY,
UPPER INDIA CHAMBER OF COMMERCE, CAWNPORE.

DEAR SIR,

I am directed to acknowledge receipt of your letter of the 14th instant and to state in reply that my Committee are opposed to the imposition of an import duty on silver.

With regard to the concluding paragraph of your letter, I would refer you to the Association's reports for 1893 (pages 8 and 9) and for 1910 (pages 15 and 16).—Yours faithfully,

J. P. WADIA,
Acting Secretary.

APPENDIX 19.

MATERNITY BENEFITS BILL.

No. 1066/11211-D.

GENERAL DEPARTMENT,
BOMBAY, 16*th March*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed by the Governor in Council to forward herewith a copy of Government Resolution No. 1066, dated the 9th March, 1925, and accompaniments regarding the Maternity Benefit Bill introduced by Mr. N. M. Joshi in the Legislative Assembly and to request that

you will be so good as to favour Government with the opinion of your Association on the provisions of the Bill as requested in paragraph 1 of the Resolution. I am to request that the reply may be forwarded to the Director, Labour Office, not later than the 15th April, 1925.—I have, etc.,

R. F. GORVALA,
for *Secretary to the Government of Bombay,*
General Department.

GOVERNMENT OF BOMBAY,
GENERAL DEPARTMENT,
BOMBAY CASTLE, *9th March*, 1925.

Resolution No. 1096.

Maternity Benefit Bill.

Letter from the Government of India, Legislative Department, No. F-64-I-24-A.C., dated the 10th February, 1925:—

" With reference to the Debates of the Legislative Assembly of the 3rd February, 1925, I am directed to forward herewith 60 copies of * (1) The Maternity Benefit Bill with statement of Object and Reasons by Mr. N. M. Joshi, and (2) Extracts from Legislative Assembly Debates, dated 3rd February, 1925, regarding the Bill, and to request that the Governor in Council will favour the Government of India in this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the High Court and of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

" 2. The opinion of Local Governments upon this Bill has already been requested in the Department of Industries and Labour letter No. L-1150 of 11th October, 1924. The Government of India intend to publish the replies to that letter, and if on any particular point the Local Government desire merely to re-affirm the view they have previously expressed, it will be sufficient to refer to that letter.

" 3. As the Local Government will observe, the debate raised one or two fresh points of importance which have not been fully considered in the letters already received in reply to the letter from the Department of Industries and Labour referred to above. One such question is whether legislation of this type, if it is regarded as desirable, should be provincial or central.

" 4. A second question of considerable importance concerns the application of the Bill to estates. In clause 2 (*c*) of the Bill an estate is described as " an estate as defined by the Assam Labour and Emigration Act." The definition contained in that Act reads:—

> " Estate means the land upon which any labourers or more than fifty other persons have been engaged to labour."

There are now no labourers within the meaning of that Act, so that this covers land upon which more than fifty persons have been engaged to labour. So far as the Assam Labour and Emigration Act itself is concerned, the only estates controlled by it lie within the confines of Assam. But it was suggested during the course of the debate that the Bill might be regarded as applying to all estates coming within the definition quoted above, and lying within any of the provinces or parts of provinces to which the Assam Labour and Emigration Act applies. And the mover expressly stated " I make it clear that I do not want to include only the plantations in Assam but all the organised plantations in all parts of the country." Whether this view is consonant with the present drafting of the Bill or not, the possibility of the application in this sense of the enactment in its final form should not be overlooked.

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* Not published.

" 5. I am also to request that the Bill and statement may be published in the *Gazette* in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

" 6. The reply to this letter should be sent in by the 30th June, 1925."

RESOLUTION.—Copies of the letter from the Government of India and accompaniments should be forwarded to the Millowners' Associations, Bombay and Ahmedabad, the Indian Merchants' Chamber, Bombay, etc., etc., and they should be requested to favour Government once more with their views on the provisions of the Bill especially in connection with the points raised in paragraphs 3 and 4 of the Government of India's letter, before the 15th April, 1925, at the latest.

2. The replies should be forwarded before the date mentioned in paragraph 1 above to the Director, Labour Office, who should be requested to favour Government with his views on the draft Bill and a draft letter to the Government of India based on those views after considering the opinions expressed by the different officers and bodies, not later than the 1st June, 1925.—By order, etc.,

C. W. A. TURNER,
Secretary to Government.

Read Government Resolution, General Department, No. 1066, *dated the* 31*st October*, 1924.

No. 1066-D.

GENERAL DEPARTMENT,
BOMBAY CASTLE, 13*th February*, 1925.

FROM,

C. W. A. TURNER, ESQUIRE, I.C.S., *Secretary to the Government of Bombay, General Department.*

To,

THE SECRETARY TO THE GOVERNMENT OF INDIA, DEPARTMENT OF INDUSTRIES AND LABOUR.

SUBJECT:—*Mr. N. M. Joshi's draft Maternity Bill.*

In continuation of this Government telegram No. 1066-D., dated the 31st January, 1925, I am directed by the Governor in Council to say that Mr. Joshi's draft Maternity Bill was referred to the officers and bodies concerned for an expression of their views. Out of the ten bodies whose replies were received the six *marginally named bodies, copies of whose reports are sent herewith, are generally opposed to the provisions of the Bill.

2. The Governor in Council as now advised is unable to accept the view that the obligation to provide maternity benefits should rest entirely on the employer. Such a proposal goes far beyond the Resolution of the Washington Conference of 1919 at which the draft convention regarding maternity benefits was passed. The proposed Bill, in the opinion of the Governor in Council, is premature, being considerably in advance of public opinion, and is fraught with such difficulties as to render its effectiveness in practice extremely problematical. Moreover, a close examination of the Bill will show that its provisions, as they now stand, are not likely to be enforced in practice.

3. The proposal that a factory woman shall have the right to leave her work, without sacrificing her wages, if she produces a medical certificate from a qualified medical practitioner stating that her confinement will probably take place within six weeks, does not

* Chamber of Commerce, Bombay; Millowners' Association, Bombay; Millowners' Association, Ahmedabad; European Textile Association, Bombay; Engineering Employers' Federation, Bombay; Indian Merchants' Chamber, Bombay.

appear to the Governor in Council to be either necessary or desirable. A reasonable amount of active life for a pregnant woman is beneficial rather than the reverse and she should be encouraged to regard her condition as normal. Such a provision as is proposed in the draft Bill would possibly induce a woman who is not employed to seek employment a month or two in advance of expected delivery simply to draw maternity benefits for twelve weeks. Any attempt on the part of the employer to get her examined by an independent medical officer would be fraught with difficulty. On the other hand, enquiries made by the Bombay Labour Office show that it is exceedingly rare for women in their ninth month of pregnancy to work in the mills. The Governor in Council sees no objection to giving facilities to a factory woman after her confinement by granting her leave with wages for a period not exceeding four weeks provided she undertakes to return to the factory at the expiry of that period.

4. The Governor in Council also approves of the establishment of creches in mills with one or more properly qualified nurses in charge of them. Some companies have already provided such creches in their mills and the Governor in Council hopes that others will respond to their institution. The provision of creches should not, however, be made obligatory on the millowners except perhaps to the extent that they may be asked to provide sufficient room for their accommodation in their premises or in the mill compound. As at present advised the Governor in Council considers that the actual running expenses of such creches may in the first instance have to be borne by Government in such cases where the millowners themselves do not voluntarily support such institutions, but as their beneficial effect is realised is hopeful that both the employers and employees will themselves contribute their share of the cost in the future.

5. In order to sound the opinion of the millowners on the subject of maternity benefit and establishment of creches it is proposed to hold an informal conference with some of the owners and managers of the most important mill companies in the near future, and discuss the subject with them. It is hoped that as a result of this conference the Governor in Council may discover means of attaining the end in view which is admitted by all to be desirable either by legislation or by some other method.

Copy of a letter No. 2783/277, dated 27th November, 1924, from the Secretary, the Chamber of Commerce, Bombay, to the Deputy Secretary to the Government of Bombay, General Department, Bombay.

I am directed to acknowledge the receipt of your letter No. 1066/11211-D, dated 11th November, 1924, and its accompaniment, in which an expression of my Committee's opinion is invited on the provisions of a Bill to regulate the employment of women in factories and mines in certain circumstances which was introduced in the Legislative Assembly on the 23rd September, 1924.

2. My Committee have carefully considered the Bill in question which they observe seeks to prohibit, *inter alia*, the employment of women during the six weeks following their confinement and to afford them the option of leaving their work at any time within six weeks thereof upon production of a medical certificate. While my Committee appreciate the humanitarian motives underlying the provisions of the Bill, in this connection, which so far as the first part is concerned follow closely the English law as embodied in Section 61 of the Factory and Workshop Act, 1901, they are not satisfied as to their practicability, in the special conditions obtaining in this country, and they invite attention to the proceedings of the conference held at Simla in 1921 when the question was examined and discussed at some length, without however any solution of the many practical difficulties in the way of the proposed legislation being discovered. Since that date, moreover, the Bombay Government have further investigated the question and it is significant that during the course of a debate in the Bombay Legislative Council in July of the present year the Honourable the General Member stated that while Government were continuing their enquiries as to the possibility of introducing a State-aided system of compulsory maternity benefits, they had definitely come to the conclusion that legislation of the nature under reference, besides being premature and considerably in advance of public opinion, was fraught with such practical difficulties as to render its effectiveness in practice extremely problematical.

3. The Bill, however, not only contemplates the mere prevention of work before and after confinement but also requires the maintenance by employers of a Maternity Benefit Fund out of which it is proposed to provide for the support of the woman and her child during her enforced absence, and it is to this part of the Bill that my Committee take most exception as they are convinced that besides being inequitable, as seeking to impose upon individuals a recognised liability of the State, it can only affect adversely the interests of the women themselves. As I have already stated, my Committee's objections to the first part of the measure relate mainly to its impracticability but when considered in conjunction with the proposals in regard to maternity benefits, it assumes quite a different aspect and is likely to restrict the employment of women in organised industries to an extent which would cause considerable financial embarrassment and hardship to the families concerned, who can ill-afford, and will certainly resent, the resultant diminution of their wage-earning capacity.

4. Apart from the above aspect of the question, which does not appear to have received adequate recognition from the mover of the Bill, the International Draft Convention upon which it is based definitely contemplated the payment of such benefits either out of public funds or by means of a system of insurance, and in no country, so far as my Committee are aware, has the principle which the Bill seeks to establish in that connection even been seriously considered.

5. My Committee are accordingly of opinion, after careful consideration of the measure from every point of view, that it is both premature and impracticable and should be opposed on the lines indicated in the foregoing paragraphs.

Copy of letter No. 1655/127, dated the 8th December, 1924, from the Secretary, the Millowners' Association, Bombay, to the Director, Labour Office, Bombay.

I have the honour to state, under directions of my Committee, that the Government of Bombay, General Department, by their letter No. 1066/11211-D., dated the 11th November, 1924, solicited the views of my Committee regarding the Maternity Benefit Bill introduced by Mr. N. M. Joshi in the Legislative Assembly on the 23rd September, 1924, and by their subsequent communication No. 1066/11211-D., dated the 27th November they requested that the reply should be sent direct to you. My Committee have given their very careful consideration to the Bill, and have directed me to communicate their views to you for submission to Government.

2. In the statement of Objects and Reasons attached to the Bill, it is stated that the Bill seeks to carry out some of the proposals contained in the Draft Convention passed at the First International Labour Conference held at Washington in 1919. My Committee, however, find that in making this statement the framer of the Bill has overlooked certain very important points, and they are of opinion that for a correct appraisement of Mr. Joshi's Bill it is necessary to recall the proceedings at Washington and the subsequent history of this question.

3. At the Washington Conference which adopted the Convention concerning the employment of women before and after childbirth, a special resolution was passed concerning India on the representation of the Government of India Delegates which reads as follows :—

> "That the Government of India be requested to make a study of the question of the employment of women before and after childbirth, and of maternity benefits, before the next Conference and to report these matters to the next Conference."

4. In pursuance of the above resolution, the Government of India caused an exhaustive inquiry to be made into the whole question through the Provincial Governments and also discussed the question at various meetings between their officers and Chambers of Commerce, Employers' Associations, factory owners and others interested in the question. Inquiries were also made by the officers of the Government of India and Provincial Governments among large classes of women workers in factories and agriculture. The very complete information collected by the Government of India in this manner was examined at a Conference

in Simla presided over by Sir Thomas Holland and attended by the officers of the Labour Bureau of the Department of Industries and representatives of Associations concerned with the welfare and medical relief of women and children. The findings of this important Conference were endorsed by Provincial Governments and important public bodies and are embodied in the report submitted by the Government of India to the International Labour Conference in accordance with the resolution passed at Washington in 1919.

5. It is doubtful whether any other question in recent times has been more thoroughly and exhaustively investigated by Government than this question of Maternity Benefits and their conclusions are so well known and universally agreed upon that it is somewhat surprising to my Committee that Mr. Joshi should have introduced a Bill which is so much at variance with the conclusions reached by the Government of India. The valuable report submitted by the Government of India to the International Labour Conference constitutes in some respects the best criticism that can be offered against Mr. Joshi's Bill, and my Committee desire me to refer specially to some of the important points brought out in that report.

6. 'It appears from the Government of India's report that all the Provincial Governments after a most careful examination of the question in all its aspects came unanimously to the conclusion that immediate legislation on the lines of the Draft Convention was impossible. The Government of Bombay very rightly pointed out that the proposals contained in the Draft Convention were so far in advance of public opinion on the subject in India that there was no likelihood that legislation even if successfully passed, could be enforced. They further very pertinently observed that even in England, which is in advance of most countries in this matter, the only restriction placed at present was the prohibition which laid down that "An occupier of a factory or workshop shall not knowingly allow a woman or girl to be employedtherein within four weeks after she has given birth to a child." (Section 61 of the Factory and Workshop Act, 1901.)

The main reasons advanced by the Government of Bombay why immediate legislation on the lines of the Draft Convention was impossible are reproduced below and are, in my Committee's opinion, unanswerable :—

(1) Lack of public opinion in support of the proposals ;

(2) Impossibility of supervising a scheme which extends to all industries ;

(3) The ease of evasion on both sides even when the scheme is restricted to a few highly organised industries ;

(4) The small supply of women doctors in India and generally the difficulty of providing the medical aid required by the Draft Convention.

7. In the face of the unanimous conclusions arrived at by Provincial Governments on the strength of a most exhaustive and searching examination of the question in all its aspects—conclusions which were identical to those arrived at by the Government of India as a result of their own independent investigations—the Government of India found it impossible to introduce legislation to enforce the recommendations contained in the Draft Convention.

8. It is also interesting to note that as recently as July last, in the course of a debate in the Bombay Legislative Council, the Honourable the General Member stated that while Government were continuing their enquiries as to the possibility of introducing a state-aided system of compulsory maternity benefits, they had definitely come to the conclusion that legislation of the nature under reference, besides being premature and considerably in advance of public opinion, was fraught with such practical difficulties as to render its effectiveness in practice extremely problematical.

9. In spite of these facts, Mr. Joshi seeks to introduce legislation which would not only ratify the Convention but would give effect to a principle directly contrary to the spirit of the Convention. Before however dealing with this point, my Committee wish to reiterate that the Draft Convention is in the first place not applicable to India in view of the special resolution passed at the instance of the Government of India Delegates and cited in paragraph

3 above. The significance of this fact is somewhat enhanced when it is remembered that Mr. Joshi himself was one of the Delegates at the International Labour Conference held at Washington in 1919.

10. Article 3 of the Draft Convention enjoined that the benefits to be paid to women in connection with their confinement shall be provided either out of public funds or by means of a system of State insurance. Mr. Joshi, however, under clause 7 of his Bill, proposes that industries should be assessed for contribution towards maternity benefit funds to be established by Local Governments. That industries should be made to contribute funds in connection with the confinement of women engaged in the industries is a proposition unheard of even in most advanced industrial countries and is manifestly unfair. It seems curious to my Committee that it did not occur to Mr. Joshi that if his very novel suggestion was given effect to by a legislative enactment, employers might be constrained to consider the advisability of dismissing the women employed in the industries or of reducing their number, and this would affect the earning capacity of the families concerned and would eventually be resented by the women themselves. Moreover, my Committee fail to understand why Mr. Joshi confines the scope of his Bill to women engaged in particular kinds of employment instead of logically extending it to all females, whether engaged in domestic service, or in agriculture, or in Municipalities, Port Trusts, Improvement Trusts, Railways, etc. It would appear that in Mr. Joshi's opinion there is a moral obligation on industrial employers to attend to the maternity requirements of their female employees just as it has always been recognised that there is a moral obligation on them to compensate their employees for accidents and which obligation is now enforced by law. But the principle of the Workmen's Compensation Act is not applicable in the case under consideration, for the nature of factory work is undoubtedly a fruitful source of accidents, but it cannot by any stretch of imagination be said to lead to maternity.

11. In the report submitted by the Government of India to the International Labour Conference it was stated :—

> " While agreeing that no form of compulsory contribution from employers or employed for the sake of providing maternity benefits is feasible, the majority of the Provincial Governments have expressed their willingness to endeavour to persuade employers to start voluntary schemes for this purpose and to assist them financially."

The Government of Bombay in their report to the Government of India also observed as below :—

> " They (*i.e.*, Government of Bombay) are of opinion, however, that Government should be prepared to consider the provision of financial or other assistance to employers who start voluntary maternity benefits on an approved system or systems "

12 The above-quoted extracts from the communications of the Government of India and the Government of Bombay are based on the universally recognised fact that it is the function of the State to give financial support to schemes for maternity benefits, etc., and it would be interesting to know if Mr. Joshi is in a position to mention a single country where such schemes are financed wholly by employers.

13. It is scarcely necessary for my Committee to state that they have the fullest sympathy with the humanitarian motives of the Bill as is evidenced by the fact that several members of this Association have during recent years introduced in their mills special schemes in connection with maternity benefits, particulars of which were recently furnished to the Collector of Bombay in response to a communication addressed by him to the Association on behalf of the Government of Bombay, but it is a matter of regret to my Committee that these voluntary efforts of the members of this Association have not received financial or other assistance from the Government of Bombay. After all, it is the function of Government and not employers to establish maternity hospitals, creches, etc., and to provide the requisite facilities for women during the most critical period of their lives and if Government were to inaugurate a practical scheme in this connection, they may depend upon the voluntary co-operation and assistance of industrial employers.

14. It is my Committee's considered opinion that there is an urgent need for maternity benefits for the poorer classes of women, and that the time has come when Government should give this matter their serious consideration and should start maternity hospitals in different localities, particularly those localities which are densely populated by the labouring classes employed in great industries. The members of this Association, as stated above, may be confidently expected to co-operate with Government in any practical measure which Government may adopt in this direction. Legislation, however, on the lines of Mr. Joshi's Bill is foredoomed to failure for the very cogent reasons which are already in the possession of Government and to which reference has been made above.

Copy of a letter No. 853 of 25th November, 1924, from the Joint Honorary Secretary, the Ahmedabad Millowners' Association, Din Bag, Ahmedabad, to the Deputy Secretary to the Government of Bombay, General Department, Bombay.

I have the honour to acknowledge the receipt of your letter No. 1066/11211-D, dated 11th November, 1924, inviting an expression of my Association's views on the Bill for the payment of maternity benefits to women employees and to state that my Committee regrets that only a fortnight's time has been allowed to industrial bodies for the consideration and expression of opinion on such important Bills which vitally affect them. My Committee trusts, that Government will in future allow sufficient time to such bodies for a careful examination of the pros and cons of such legislation.

My Committee is in full sympathy with the object of the Bill which affects the sacred demands of the suffering maternity and which in the interests of the children of the soil intends to prohibit women workers from industrial concerns a few weeks before and after confinement.

My Committee, however, is definitely of opinion that any legislation at this stage on the subject is beset with insurmountable practical difficulties. The voluntary progress made in this direction during the last three years will convince Government that it is more in the interest of the cause to allow this voluntary progress to develop further than to enforce any legislation at this stage. The final report of the lady doctor appointed by Government in connection with maternity benefits to women workers in 1922 observes that " Of the mills visited only three provided creches." In case if the figures obtained in the year 1924 are compared with the above remarks it would be clear that progress made in the direction of providing creches is more rapid than slow. The Bombay mills have by this time greatly increased the number of creches some of which, *viz.*, the Tata and Currimbhoy Mill groups, are acknowledged to be ideal creches. In Ahmedabad also similar rapid progress has been made in the last two years and inquiry shows that the number of creches during 1924 is over 25.

Further progress in such matters depends more on the sympathetic consideration of the employers than on Legislation. It would be at the same time practically impossible to enforce such an Act without constituting an inquisitorial machinery between the employers and their operatives which would prove intolerable and harmful to the interests of both of them. Even at the International Labour Conference held at Washington in 1919 the Indian delegates expressed their opinion that in view of the social customs of India there was no occasion to prohibit such employment or to make provision for maternity benefits. Further, the Conference convened at Simla in May 1921 also came to the conclusion that no immediate legislation on this subject was necessary and that better results would probably be obtained by enlisting the sympathies of the employers of labour.

The Conference also made further suggestions to start voluntary schemes aided by the State as the employers could not be compelled to provide for facilities in such matters by compulsory legislation.

The Labour Union in Ahmedabad is also rendering commendable assistance to the women operatives through its own hospitals.

Subject to the contentions mentioned above my Committee would offer a few remarks in regard to the important sections of the Bill.

In regard to Section 3 my Committee thinks that it would be difficult to enforce legislation on the lines suggested therein. Moreover, it would hardly be possible to detect cases of women working in some other factory after having obtained protection under this section from one factory.

Women workers generally return to their villages during periods of confinement and no legislation could prevent them from undergoing hard labour in their own villages for getting additional emoluments.

It would also not be out of place here to quote the following paragraph from the Report of the proceedings of the Conference which met at Simla in 1921 :—

> " It is only necessary to state the obligations on each side to realise how impossible it is to bring its prohibition into force at present. Except in cases of their own employees who had stayed with them till close on confinement employers could always plead ignorance and employees could easily evade the law as no record is kept of the occupation of the mother when birth is registered. The inspectors in consequence would find it extremely difficult to detect cases of evasion as they would have no reliable sources of information."

With reference to Section 6 my Committee strongly objects to the penalty imposed on the employers for the contravention of the Act as detection of cases of defaulters on both sides would be obviously difficult. Government will also be compelled to engage a large staff to prevent women from attending factories during periods of confinement. In the light of these facts it would be very inequitable to hold the employers responsible for the breach of this section, and punish them with a fine which may extend to Rs. 500.

In case any legislation on the lines of this Bill is brought into existence, my Committee would strongly urge the necessity of deleting such penal clauses affecting the employers in view of the sympathetic and voluntary efforts and successful progress manifested by them during the last three years.

When the employers and the operatives are advancing towards the desired ideal by sympathetic schemes and mutual co-operation it would be improper to restrict the progress of such schemes by introducing any legislation at such a stage. Progress which is made by voluntary efforts is bound to suffer materially when legislation is brought into effect. Legislation necessitates strictness on certain occasions and slackens the bonds of goodwill and mutual sympathy between the parties.

As regards Section 7 my Committee would observe that such factories which engage less than 20 women workers should be excluded from the operation of this section and any contribution that may be asked for from a factory, mine or estate should be in proportion to the average number of women workers employed therein.

My Committee further states that even the International Labour Conference held in 1919 recorded its opinion to the effect that the question of maternity was one for the State and not for the employer or his operative.

It is a matter of common knowledge that organised Indian industries are being crushed under the heavy burden of hydra-headed local, provincial and central taxation and any further cess on the products of the industries which have to compete strenuously with cheap foreign products would only spell the ruin of indigenous industries. In certain countries these benefits are paid by the State itself and my Committee would strongly request the Government to establish a separate State Fund for this purpose or to evolve some insurance schemes. On the other hand, the employers who have during the last three years shown fairly good progress in this direction will no doubt continue further development of these schemes and push them to the point of success.

In conclusion my Committee has great apprehensions about the success of the cause through Legislation at present and feels that the remedy suggested would perhaps prove more harmful than the evil itself in case any such legislation is enforced.

Copy of letter dated 6th December, 1924, from the General Secretary, Bombay European Textile Association, Bombay, to the Deputy Secretary to the Government of Bombay, General Department, Bombay.

Your No. 10661/1211-D., dated the 11th November, 1924.

SUBJECT:—*Maternity Benefit Bill.*

I have the honour to forward herewith the opinion of this Association on the above Bill and am to express the regret of my Committee for the delay in submitting same, which, however, is chiefly due to the fact that insufficient time was allowed to us to give the contents of this Bill due consideration; I am directed, therefore, by my Committee, to respectfully urge upon you the desirability of allowing ample time for proper consideration of proposed legislation you may wish to submit to us.

MATERNITY BENEFIT BILL.

My Association fully sympathise with the object of this Bill so far as is sought to prohibit the employment of women six weeks before and six weeks after confinement and to provide against dismissal for reason of absence during this period.

Whilst accepting the Bill so far, the opinion is strongly held that to legalise a Maternity Benefit Fund and by so doing transfer under clause (C) of Section 3, and Section 4 what is undoubtedly a parental responsibility, to Government and to employers is wrong in principle

My Association fully realise the necessity of a woman worker being provided with financial support sufficient to maintain herself and the child in healthy condition but submit that this responsibility rests with the husband and father who, so far as the textile industry is concerned, should, from the wages he can earn, provide to meet his domestic obligations.

Copy of letter dated 13th December, 1924, from the Honorary Secretary, Bombay Engineering Employers' Federation, Bombay, to the Deputy Secretary to the Government of Bombay, General Department, Bombay, through the Director, Labour Office, Bombay.

MATERNITY BENEFIT BILL.

I am desired by my Federation to acknowledge receipt of your letter No. 1066/11211-D., dated 11th November, 1924, with which was forwarded a copy of Government Resolution, No. 1066, dated 31st October, 1924, in connection with the Maternity Benefit Bill introduced in the Legislative Assembly by Mr. N. M. Joshi.

My Federation have considered the Bill in question which, they observe, seeks to prohibit, *inter alia*, the employment of women under certain conditions. While my Federation appreciate the humanitarian motives underlying the provisions of such a Bill, they consider the Bill to be so full of difficulties that it will be impracticable to put into operation. In the Bombay Legislative Council this year it was stated that Government have come to the conclusion that the proposals were both premature and impracticable. The question was also discussed at a Conference at Simla in 1921 and no solution could be found.

We are of opinion that the provision of maternity benefits must and can only be the duty of the State and the proposal to make compulsory contributions from employers towards a fund for providing maternity benefits is most unreasonable and if insisted upon it can only lead to a great extent to the discontinuance of the employment of women. No business concern could accept such responsibility.

We very much doubt whether the Bill is a practicable one even if the provision of benefits is made the duty of the State but if this duty is to be relegated to the employers it can only do more harm than good to the very class it is intended to assist as it will restrict the employment of women and so result in the diminution of the wage-earning capacity of a family.

It has been suggested that this Bill may encourage women who are not fit to work to seek its benefits when they are within a few weeks or short period of confinement, and it is recommended that a clause should be inserted to the effect that no woman will get benefit under the provisions of the Bill unless she has done at least 12 months' work previous to the date of her application.

Copy of a letter No. T.-1501 dated 22nd December, 1924, from the Secretary, the Indian Merchants' Chamber, Bombay, to the Deputy Secretary to the Government of Bombay, General Department, Bombay.

With reference to your letter No. 1066/11211-D., dated the 11th November, 1924, I am directed to send hereby views of the Committee of this Chamber.

My Committee find from a Chart given with the issue of "Industrial and Labour Information," Volume XI, No. 13, dated 29th September, 1924, of the International Labour Office, that not a single country which is a member of the International Labour Conference as yet has got any legislation following the Convention passed at the First International Labour Conference held at Washington in 1919. If none of these countries, several of which are industrially more advanced than India, have up to this time not thought it proper to put into effect the Washington Convention with reference to childbirth, there is no reason why India should be called upon to undertake legislation with reference to the same, nor can my Committee understand why it is sought to bring under the influence of the Bill only industries and not agriculture, building trade and the other occupations wherein women are employed. All these other non-industrial occupations must be engaging a much larger number of women than the number engaged in industries. If it is necessary to provide for maternity benefits in industries it follows that the same rule should hold good with regard to agriculture, building trade and other occupations. My Committee are thus opposed to undertaking any legislation on the lines proposed in the Bill introduced by Mr. Joshi in the Legislative Assembly. If, however, the Legislature considers that it is essential to have such legislation for India, my Committee emphasise that any expenditure on this score should not be realised in the form of a cess on industries only but should be paid from the revenues of the State and should be the responsibility of the State, *i.e.*, of the general tax-payers. If the State accepts this principle that the health of women workers is one of its concerns there is no reason why a particular community should be taxed for this purpose and not the whole body of tax-payers.

Extract from the Legislative Assembly Debates, Vol. V, No. 9.

The Assembly met in the Assembly Chamber, Imperial Secretariat, Delhi, on Tuesday, the 3rd February, 1925.

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THE MATERNITY BENEFIT BILL.

MR. PRESIDENT: The Assembly will now proceed to the further consideration of the motion moved by Mr. N. M. Joshi on the 30th January, 1925:—

"That the Bill to regulate the employment of women in factories and mines and on those estates, to which the Assam Labour and Emigration Act, 1901 applies, some time before and some time after confinement, and to make provision for the payment of maternity benefit, be referred to a Select Committee consisting of Mr. L. Graham, Mr. A. G. Clow, Sir Purshotamdas Thakurdas, Seth Kasturbhai Lalbhai, Sir Campbell

Rhodes, Mr. Darcy Lindsay, Dr. S. K. Datta, Mr. M. A. Jinnah, Khan Bahadur Sarfaraz Hussain Khan, Mr. Jamnadas M. Mehta, Dr. K. G. Lohokare, Mr. K. C. Neogy, Diwan Chaman Lall, Mr. B. Das, Sardar Gulab Singh, Mr. Devaki Prasad Sinha and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be six."

MR. N. M. JOSHI (Nominated : Labour Interests) : Sir, before I proceed with my speech I want to propose that the name of Mr. Chalmers should also be added to the Select Committee.

Sir, when on the last occasion my speech was interrupted by the adjournment of the House, I was explaining that my Bill proposes to prohibit the employment of women for six weeks after confinement. My Bill also seeks to enable women working in industries mentioned in the Bill to leave their work without the fear of being dismissed about six weeks before the time of their confinement. There is obviously some difference made by me between the treatment of the periods before and after confinement. Sir, my Bill thus secures rest for women working in industries during the period when hard work will be very harmful to their health and to the health of their babies; but, Sir, the economic condition of the working class women is such that, unless we also provide that they and their babies shall get sufficient maintenance during the period of rest, they will not be able to enjoy that rest. The experience of countries that have by legislation prohibited the employment of women during this period without providing maternity benefit shows clearly that women may prefer to have some harm done to their health to allowing themselves and their babies to die of privation on account of not getting sufficient maintenance.

It is, therefore, necessary that when we secure rest for women during the period of confinement we should also at the same time make some provision to find sufficient maintenance in order that they and their children shall be able to maintain their health in good condition. My Bill, therefore, provides that during the period of enforced absence from work, women should be given some allowance. My Bill also provides that this allowance should be given out of a fund to be known as a maternity benefit fund instead of its being given by the employers directly. I feel, Sir, there is a danger in leaving the payment of allowances to these women to the employers and that danger can be avoided if the payment of the allowance is left to Government. I hope, Sir, when the Local Governments establish that fund they will take care that the contribution from the employers to the fund will not be fixed upon the actual number of cases, but that the contribution will be levied either on the value of the product of the industry or on the total number of women employed in that industry. Sir, this is in short the outline of the Bill which I propose to be sent to a Select Committee for detailed consideration. At present I do not propose that the prohibition of the employment of women and the provision of maternity benefits should extend to all industries in the country. My Bill seeks to restrict the operation of the Bill only to those industries which are regulated by the Indian Factories Act or by the Indian Mines Act or by the Assam Labour and Emigration Act.

Sir, I would like to make one thing clear at this stage. My Bill mentions the Assam Labour and Emigration Act. As far as I can understand, this Act can be made applicable by the Government of India to any part of India. I therefore think that when I mention industries regulated by the Assam Labour and Emigration Act I intend to include plantations throughout the country ; but, Sir, if there is any doubt on this point—and the lawyers in this House are better able to judge of this question—it is possible to alter the section so as to bring in all the plantations under the provisions of my Bill. The plantations in Madras can be brought within the scope of this Act by applying the provisions of my Bill to those plantations which are regulated by the Madras Planters Act. I think, Sir, that my intention would be carried out when the Bill goes to Select Committee. I make it clear that I do not want to include only the plantations in Assam, but all the organised plantations in all parts of the country.

Sir, this question of the provision of maternity benefits has a long history. About five years back when the first International Labour Conference met at Washington, a convention was passed that the employment of women six weeks after confinement should be prohibited and women should be able to leave their work without fear of being dismissed six

weeks before their confinement. The convention also provided for the granting of maternity benefits. The Government of India at that time thought that they had not fully considered this question and they were not prepared to accept that convention. The Government of India agreed in that conference to make a report on the question. After discussing that question here in India the Government of India made a report that they thought that the time for legislating on this subject had not come. But they expressed a hope that schemes of maternity benefit on a voluntary basis would come into existence in India. Sir, during these five years some schemes of maternity benefits on a voluntary basis have come into existence, and the experience of these schemes makes it quite clear that such a provision is of very great usefulness to the women engaged in the industries. I, therefore, think that whatever may have been the views of the Government of India some years back, having obtained the experience of maternity benefit schemes established on a voluntary basis they will be ready to approve of legislation for this purpose. With this object and being fully convinced that the Government of India as well as the employers in this country will be in favour of a scheme similar to the one which I have proposed in my Bill, I introduced my Bill in the last Simla session.

Sir, at the time of introduction I requested the Government of India to circulate my Bill. They very kindly complied with my request and have circulated the Bill to the employers, to the Local Governments and to all others concerned. Most people have now sent in their views either to the Local Governments or to the Government of India. Sir, I have not yet got a copy of these views, but from the newspapers I find that there is great support, almost unanimous support, to the principle of my Bill. Sir, I do not wish to say that there is no criticism of the details—there is a good deal of criticism of the details of my Bill. But, Sir, after having read the reports in the newspapers, I can confidently say that there are no people who oppose the principle of my Bill, namely, that it is desirable to prohibit the employment of women some time after confinement and to give them leave some time before confinement and to give them maternity benefits during the period of their enforced absence. Sir, the points of criticisms are directed towards the details, and I do not wish to deal with the criticism at great length. But I would like to speak a few words on the main points of that criticism which are of a somewhat general nature.

Sir, the first point of criticism against my Bill is that, if my Bill is approved of and passed, and if a maternity benefit scheme comes into existence, there will be some burden placed upon the industries. Sir, I assure the members of this House that the passing of my Bill will not place a great burden upon the industries. At present there are about 500,000 women engaged in the industries which are covered by my Bill. Experience has shown that in one year about 10 per cent. of these women will be entitled to maternity benefits, that is, about 50,000 women in a year will be entitled to maternity benefits. Sir, having studied the rate of wages in our country in the industries covered by my Bill, I can estimate the cost of the scheme involved in my Bill at about Rs. 15 lakhs per year. Now, if we consider the number of women employed in the industries covered by my Bill, we shall find that the rate of increase in the wages of women will not be more than 4 annas per month. If we assess the contributions to be paid by the employers or the burden upon the industries covered by my Bill, I estimate, Sir, that if the value of the production of the industries covered by my Bill is one thousand rupees, the cost of the scheme will be only one rupee. The assessment, therefore, of the burden of my scheme upon the value of the production of the industry will be only its one-thousandth part. Sir, Honourable Members will thus see that my Bill does not throw any heavy burden upon the industry. There is, of course, some burden, but it is very small indeed. Therefore, Sir, I feel that even if my Bill is passed, there will be no discouragement for employers to employ women. Employers employ women not because they are very philanthropic or that they want to do some good to the working class women, but because they find that women's labour is much cheaper than the labour of men. If a man gets Rs. 25 per month, a woman in the same place will get about Rs. 15 a month. The employer, therefore, finds it to his advantage to employ women, and as my Bill does not put a great burden upon the industries, as it does not increase the wages of women by any appreciable extent, the employment of women will not be discouraged even if my Bill is passed.

Then, Sir, it is also feared by some people that if maternity benefits are given to those women who give birth to children, employers may dismiss women as soon as they learn that

a woman would become entitled to the maternity benefits. Sir, I do not think that the employers will do this, and secondly, I may say, Sir, that in my Bill I have provided that the maternity benefits should be given not by the employers directly but by the Government. This will prevent any employers, if there are any, who may try to shirk their responsibility by dismissing women when they find that they become entitled to a maternity benefit.

Then, Sir, I have also heard it said that if my Bill is passed women in the industries in which there are no maternity benefits may flock to the industries in which maternity benefits are given. Sir, if our organized industries which are covered by my Bill begin to get a large number of women for work, I think the employers would welcome such a result. At present there is a good deal of complaint that our industries suffer for want of sufficient labour, and if women workers are attracted to the industries in which maternity benefits are given, it will be a result about which the employers need not complain.

Sir, it is also said that some women after they become entitled to maternity benefits may join an industry which is covered by my Bill. I know, Sir, such a result may happen in a few cases. But, Sir, that result can also be prevented by some regulation making it necessary for women working in the industries covered by my Bill to put in some minimum period of service before they become entitled to receive the maternity benefits.

Then, Sir, there are a few other arguments. I have heard it said that in India such a scheme may not succeed as we have not got a sufficient number of women doctors. Sir, in my Bill there is nothing which compels a Local Government or employers to engage women doctors. Under my Bill a woman will have to produce a certificate that her confinement will take place within about six weeks. If the woman cares to secure that rest and by taking advantage of the provision in my Bill, the responsibility of getting the certificate is hers. There is no responsibility upon the employer or upon the Government to find a doctor. I therefore think that the employers and the Local Government need not make much of the paucity of women doctors in our country. Moreover, Sir, I have got some experience of the working of the maternity benefit schemes at present established on a voluntary basis in the City of Bombay, and from my experience I can say that women workers do not hesitate to go to a male doctor for a certificate which is necessary according to the provisions of my Bill. Sir, the hesitation of women to get a certificate from a doctor belonging to another sex or race is not found in working class women ; it is confined to women of other classes of people. I therefore think that the argument about the paucity of women doctors need not have any weight with us at all. As a matter of fact, the criticism is not against the main principle of the Bill ; the criticism is directed against the method of giving the maternity benefits.

Sir, when I make my motion for committing the Bill to a Select Committee, I am only asking this House to support the principle of my Bill. I know, Sir, that I am not an expert draftsman. I am quite sure there may be some defects in my Bill. But, Sir, these defects can be remedied when the Bill is sent to a Select Committee where we can get the advantage of the expert advice of some members of this House. Sir, I see on the agenda paper that there is an amendment in the name of the Honourable Member in charge of the Department of Industries and Labour. He is anxious that the Bill should be circulated. I have already explained to the House that the Bill has been circulated by the Government of India to the Local Governments. The Local Governments have circulated the Bill to the employers and to the organisations of working classes. Most of the organisations have already sent their views either to the Government of India or to the Local Governments. Therefore I was somewhat surprised when I saw the amendment standing in the name of the Honourable Member. It is possible that some Local Governments and some employers' organisations may not have yet expressed their views but if the Bill has been circulated and if all these organisations and the Local Governments had more than three months before them to consider the Bill, this House need not wait to receive their views. I know that the Government of Bombay, the province from which I come, have not yet sent in their views to the Government of India and I learn also that the Government of Bombay were waiting for the views of the Millowners' Association of Bombay. I was very glad to see that the Millowners' Association have recently sent in their views to the Government of Bombay. But, Sir, the Millowners' Association of Bombay could not send in their views to the Government of Bombay at an earlier date. Most of the members know that the Millowners' Association

of Bombay is now engaged in making a propaganda for the removal of the excise duty and naturally they did not find much time to consider a Bill like mine which is only intended to safeguard the lives of women engaged in the mills of Bombay. Moreover, the Government of Bombay, you may know, are at present engaged in celebrating the beneficent activities of the Baby Week. I wish that the Government of Bombay had included in the programme of activities for the Baby Week the consideration of my Bill. I feel sure if they had considered my Bill during the Baby Week they would have helped the cause of the Baby Week much better and more effectively. I therefore request this House to approve of my motion. Sir, there is one difficulty for me in opposing the motion of my Honourable friend, the Member in charge of the Department of Industries and Labour. He circulated the Bill as a matter of favour to me. He was not bound to do so and I cannot in fairness take advantage of his favour to opppose his amendment. I therefore appeal to him to withdraw his amendment and I assure him if he wants some time to secure the views of the Government of Bombay or any other Government we shall not call a meeting of the Select Committee till he is ready with views of the Local Governments and of the views of the Government of India. But I earnestly appeal to him to withdraw his amendment and allow my motion to be passed. But I cannot oppose his motion also.

MR. W. S. J. WILLSON (Associated Chambers of Commerce : Nominated Non-Official): Before the Honourable Member sits down, will he give us some indication as to what his attitude would be in regard to casual labour ? I would remind him that in a province like Burma the bulk of the labour is casual and I would like to know what his attitude would be on that point.

MR. N. M. JOSHI: It is much better that the question should be discussed in the Select Committee. It is a matter of detail and I assure the Honourable Member that I am quite prepared to meet any reasonable views of the employers. They must be sure in their mind that, unless my Bill has the support of the Government of India, it has not the least chance of being passed by the Council of State. I am therefore bound to accept any reasonable amendment that may be made by the employers and that may be supported by the Government of India.

MR. W. A. COSGRAVE (Assam : Nominated Official) : I desire to make some criticisms as regards this Bill which it is proposed to apply to the Assam tea gardens of which I have an intimate knowledge. I think that at the outset I should explain to this House what the opinion of the Assam Government is as regards Mr. Joshi's Bill. The Assam Government, while in the fullest sympathy with the principles of the Bill, consider that the Bill as drafted is both unnecessary and undesirable as far as the province of Assam is concerned. They think that if legislation is required the utmost that need be enacted would be the fixing of a minimum benefit, the utmost discretion being allowed to the Local Government to prescribe by rule of executive order the estates to which it should apply and the manner in which it should be enforced. In practice the Bill would then apply only to estates where maternity benefits are not given and the machinery required to work it will cost very little because it will hardly ever be necessary to enforce it. Now, Sir, speaking for myself before I make any criticisms as regards my Honourable friend Mr. Joshi's Bill, I would like to express my full sympathy with his disinterested motives in preparing this Bill which I know he has drafted entirely on account of humanitarian reasons. I cannot, however, from my knowledge of the Assam tea gardens think that the cooly women on these gardens will benefit if this Bill is carried into law. I make a personal explanation that I have some knowledge of the Assam tea gardens as I have served during the last 20 years as Deputy Commissioner of four of the Assam labour districts, namely Sylhet, Nowgong, Sibsagar and Lakhimpur. For the last four years I have been Deputy Commissioner of Lakhimpur District which contains in the Sadr sub-division alone about 120 of the most prosperous tea estates in Assam. Well, Sir, I hope I shall not offend the feelings of my friend Mr. Joshi when I record my deliberate opinion that this Bill as drafted will not benefit the women in the great majority of the tea gardens of Assam where women both before and after delivery now get ample concessions. I hope Honourable Members will not mind if I explain in some detail what sort of concessions are given on the Assam tea gardens. Now, the general practice in vogue on different concerns in the Assam valley is as follows : Leave is granted to women varying from 3 to 6 months in accordance with the wishes of the European medical officer and is invariably extended

beyond six months whenever he considers it necessary. The pay and allowances to such women during their absence varies from half to full wage together with a bonus of from 4 to 10 rupees. Qualified Indian doctors reside on all the gardens and their work is supervised by European medical officers who generally see all pregnant women at least once a week. Medical attendance and medicines are supplied free of charge. There are in most gardens midwives who are also supplied free, but in some cases the women choose their own midwives from their own caste. Unlimited opportunity is given to women for nursing their infants during work. Such work is generally entirely optional to the mother, either in-door or out-door, and is always of a light nature occupying nearly two or three hours a day such as sorting or cleaning tea inside the factory during the tea season, or weeding outside in gardens at other times. Now, Sir, this is a general description of the concessions given, but I would like to give some information to this House as regards the concessions given by some of the larger companies of many of which I have individual knowledge. Most of the companies for which I quote figures have tea gardens which I have personally inspected and I can vouch that the information is absolutely correct. The Budlabheta Company, which is a large company in the Lakhimpur District, give leave for three months before and three months after child-birth, with full pay for the whole period. Pay may be given for a still longer period according to the advice of the doctor. The Doom Dooma Company, another very large company in the Lakhimpur District, one of the most prosperous companies in that district, allows a similar period of leave, with five seers of rice a week free of cost and Rs. 1-8 a month in cash. The Pabbojan Company, which is also a more prosperous company, is equally liberal. In the Jorhat Company, which contains about 15 tea gardens in the Sibsagar District, a pregnant woman gets three months' full pay and a bonus of Rs. 2 when the child is born, Rs. 2 when the woman goes out to work, Rs. 2 when the child is two months old, and Rs. 4 when the child is one year old. The Consolidated Tea and Lands Company in Sylhet, which everybody knows is about the biggest tea company in India, grants three months' leave on half pay, with a bonus of Rs. 3 at birth and of Rs. 2 after 12 months. The Empire of India Tea Company give leave for three months before and three months after child-birth and a cash allowance of one rupee a week in addition to free milk supply from the garden hospitals. Now, Sir, in further amplification of these details I would like to read a letter written by Mr. Dawson, the Deputy Commissioner of the Darrang District in Assam, on the subject of Mr. Joshi's proposals. Mr. Dawson is a gentleman who has particular knowledge of Assam labour as he was the Secretary of the Assam Labour Inquiry Committee which published its report after visiting the whole of Assam in 1921-22. I think Honourable Members will agree with me that Mr. Dawson's letter shows that while the female employees of tea gardens are being given ample concessions, the companies are still further increasing the concessions. I will read Mr. Dawson's letter. This letter was written last July just after notice was given that Mr. Joshi was going to move this motion. I ought to explain one thing, that the Darrang District is a very important labour district in Assam and that it has about 130 tea gardens. He writes as follows :—

> " In the course of my tea garden inspections this year, however, I have noticed an increasing tendency to grant six months' leave on full pay to pregnant women. In at any rate one group of gardens a creche system has been established. Infants are looked after by ayahs, while their mothers are at work. In my inspections I have paid special attention to the question of infant mortality and have asked managers to endeavour to secure an improvement in cases where there seems to be something wrong."

I submit for the consideration of this House that the extracts which I read from this letter and from these reports show that the lot of the expectant mother and of the cooly woman with a child on the Assam tea gardens is not such an unhappy one as Mr. Joshi would give one to understand from the statement of the reasons for his Bill. I venture to think, Sir, in the statement of Objects and Reasons, at any rate so far as Assam tea gardens are concerned, Mr. Joshi is, I may say, begging the question. Mr. Joshi writes in his statement of Objects and Reasons :—

> " There is no doubt that if women continue their long and arduous work in factories, mines and other organized industries even in an advanced stage of pregnancy and immediately after confinement, their health and the health of their children would not fail to suffer."

Now, Sir, I hope that I have established to the House that the employers of tea gardens in Assam treat the cooly women extremely,liberally, and I may say that as far as I can see this statement of Objects and Reasons cannot be held to apply to those women. Now, Sir, I mentioned that I was Deputy Commissioner of the Lakhimpur District for four years from 1920 to 1924. I went on leave in last March and it is a matter of the greatest regret to me that the visit of my Honourable friend, Mr. Joshi, to that district occurred a very short time after I left for England. I am quite certain that if I had been in that district at the time of Mr. Joshi's visit, I could have shown him some things that would have appealed to his tender heart. He mentioned the Baby Week in Bombay. I may mention that we had a Baby Week in Dibrugarh, and a large number of tea gardens within a five mile radius of Dibrugarh sent women and children in bullock carts to that Baby Show. I only mention this to show that even in far off Assam there are Baby Weeks held, and judging by Mr. Joshi's reference to the Baby Weeks in Bombay I think it right to refer to our Baby Weeks as additional evidence that employers of labour are not unsympathetic to cooly women. Now, Sir, it is a matter of great regret to me, as I say, that Mr. Joshi visited the Lakhimpur District after I had left for England. I notice that the pamphlet on Labour conditions in Assam which he wrote after his visit does not contain any mention of the important concessions given to expectant mothers and to mothers of children on tea gardens. I can only say this that Mr. Joshi did not get quite full enough information, and it is an additional matter of regret to me that I was not present, as I am sure Mr. Joshi would have made some very nice remarks in this pamphlet about the good way in which the cooly women are being looked after in the tea gardens.

Now, Sir, I would like to criticise in some points the text of Mr. Joshi's Bill. Mr. Joshi wants to leave all the details to be worked out by the Local Government. I would like to point out from my own knowledge of Assam how impossible I think it would be to give effect to this Bill in the tea districts. Now, Sir, Mr. Joshi in clause 8 of his Bill says that the Inspector of Estates shall have the same powers and duties for the purpose of sub-clauses (*a*) and (*b*) of clause 3, and clause 5 as they have and perform for the purpose of the Assam Labour and Emigration Act of 1901. It is quite possible that in this House there may be only a few members with any definite knowledge of what the duties of an Inspector of Labourers are. In the Assam Labour Act, Act VI of 1901, many of the sections have been repealed, but the section under which the Deputy Commissioner as an Inspector of Labourers inspects tea gardens is still in force. I do not think it will be out of place, Sir, if I read out this section, so as to explain the instrument by which Mr. Joshi thinks he is going to carry out the work referred to in the Bill. Section 123 of Act VI of 1901 lays down:—

> "Any Inspector or Magistrate, or any person authorized by either of them in writing in this behalf, may enter and inspect all lands and houses wholly or partially used by or for labourers or by or for any other natives of India employed on any estate, and may require that all such labourers or other natives of India as aforesaid, or any particular class or classes of individual or individuals of them, shall be brought before him. . . . . and may make any inquiries which he thinks proper touching the condition or treatment of such labourers or other natives of India as aforesaid or any of them; and the employer shall be bound to comply with every requisition and to answer every inquiry so made to the best of his ability."

Now, as a parenthesis, I would like to point out to my Honourable friend Mr. Joshi that this Section 123 under which District Magistrates have powers as Inspectors of Tea Estates only applies to the labour districts of Assam. If he is going to apply this Bill to tea gardens or coffee estates in other places such as Darjeeling, the Dooars, Coorg, Mysore and other places, I presume that further legislation will be necessary on this point. But passing by that point, I would explain that the usual procedure in the Assam districts is that the estates which are healthy and are believed to be well managed are only inspected bi-annually. Now, Sir, taking the case of Lakhimpur District there are 120 tea gardens in the Sadr Subdivision alone. That means that 60 tea gardens have to be inspected every year. The usual practice was that I took thirty of these 60 tea gardens and left 30 to be inspected by the Superintendent of Police who has the powers of an Assistant Inspector of Labourers. It was the most we could do to inspect healthy gardens bi-annually. May I ask Mr. Joshi if he will be able to explain how he expects these benefit funds to be worked by Inspectors of

Labourers ? How is the money to be collected ? How is it to be distributed ? Does he expect cooly women to come 50 miles to headquarters to draw the money, or is the money to be remitted from the Deputy Commissioner's Office by money order to the garden manager for distribution ? As far as I can judge Mr. Joshi's attitude, he regards garden managers as rather suspect people. I doubt if he will like the money to be remitted by money order. It is quite impossible for gazetted officers to do this sort of work. There is no special staff in Assam for dealing with these labour questions. I presume Mr. Joshi would not like the money distributed by the police and it seems hardly the work for the village recorders who work under the Director of Land Records. I think, Sir, that Mr. Joshi will say " Approve of the Bill in principle, leave everything else to the Local Government to work out." I have already given the opinion of the Local Government that this Bill is both unnecessary and undesirable as regards the province of Assam. Now, Sir, looking again at the Bill, Mr. Joshi provides in clause 3 of the Bill that a woman.—

" (*a*) shall not be knowingly employed during the six weeks following her confinement ;

(*b*) shall have the right to leave her work if she produces a medical certificate from a qualified medical practitioner stating that her confinement will probably take place within six weeks."

Mr. Joshi is going to make it compulsory under this Bill that no women should work, even if she wishes to do so and if a woman does any work (*Mr. N. M. Joshi :* " After confinement "), she has the right to leave work if she produces a medical certificate that confinement will probably take place within six weeks (*Mr. N. M. Joshi :* " There is no compulsion.") Well, Sir, I would only quote the opinion of two of our most experienced tea garden doctors in Assam who are also personally known to me. One is Dr. Dodds Price, the greatest authority on Kala Azar. The other is Dr. McCombie of Dibrugarh. Both these doctors are firmly of the opinion that women of the cooly class are much fitter, and that their health remains much better if they are given light work up to practically a few days before confinement. As regards the benefit point of view Mr. Joshi seems to be going rather beyond what is considered advisable. Now, Sir, I hope I have made it clear to this House that in the first place women on the tea gardens are well treated, and I think, Sir, that as far as the Assam tea gardens are concerned it is unnecessary for Government to step in with paternal legislation when so much is already being done for the cooly women by the employers. I venture to think, Sir, that if compulsion is introduced, the tendency will be to give grudgingly the minimum upon which the law insists.

MR. T. A. CHALMERS (Assam : European) : Sir, there is nothing in what Mr. Joshi has said that one cannot approve in principle. It is only when one comes to details that one finds it impossible to carry out these benefits through a Government agency. The difficulty arises in trying to apply rules and regulations that are meant for industries in the West, where very large numbers of women are concentrated in large factories and work long hours. These women have to be protected and for this reason the Washington Conference drafted these rules and suggestions. Now, that Conference did not propose—and no Conference that I know of has ever proposed—that maternity benefits should be distributed to agricultural women workers. If you are going to include agricultural workers you must have something similar to an old age pensions system, and give maternity benefits to all women workers.

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

Now, I would like to point out that Assam tea gardens employ nearly half the people whom Mr. Joshi has mentioned as eligible for these benefits. That is to say, nearly a quarter of a million people are employed in Assam who are agricultural workers. A small proportion of women workers are employed in factories. In my own factory no woman is employed and gradually it will be found entirely unnecessary to employ women in tea factories. They work outside in the fields as in every other agricultural district. Mr. Cosgrave has already explained the actual benefits that these workers enjoy. They enjoy them for special reasons. The country is thinly populated and therefore we have to make conditions which are attrac-

tive. We have to make conditions better than those in their own homes so as to induce people to work. It is for this reason that these benefits are voluntarily given. But that is quite a different reason to the one suggested by Mr. Joshi. It is not a question of long hours in industrial factories. Then we come to the actual benefit system. I will explain to you what the conditions are in my own gardens. We pay our people weekly. If a mother is expectant, she may of her own free will stop work. In due course she will come up for her benefit and her name will be registered. After that, although her home may be within two or three miles of the factory, we never see her again. But we know all her people, so her husband or some relation comes and draws the money weekly and that is the end of it. Now, under this scheme you propose to thrust the employer aside. You want to have nothing to do with the employer. You wish to introduce a Government system by which a Government servant will pay her direct. Now my factories and tea gardens are 45 miles away from the nearest Government office. Other factories are just as far, the distance varies from 5 to 100 miles. They are out in the jungle. How is a Government agency going to find out and recognise each woman who is entitled to a benefit ? How are they going to be paid ? The amount to be paid individually is a small one. Do you expect a Government servant to take a chest of rupees with him and distribute the money among the workers ? It is in these details that you will find it impossible to agree to the principle of Mr. Joshi's Bill. We already give the benefits. It is on record and as Mr. Cosgrave has said, they will probably go on increasing. I do not believe that these benefits will be reduced. That is not the point at all. The point is that there is no method by which 250,000 women can receive their weekly doles through a Government agency. I would therefore ask this House to consider that point before applying these rules and regulations which are meant for industries where usually there is a Government officer on the spot. This Bill should not be applied to agricultural workers under present conditions.

PANDIT NILAKANTHA DAS (Orissa Division : Non-Muhammadan) : Sir, I had no desire to speak on this motion. But as I have heard from my Honourable friend who is a Deputy Commissioner of some district in Assam—Lakhimpur—it reminds me of some stories for I belong to a part of India which sends about one-fourth of the coolies who work in the Assam tea gardens, namely, Orissa. I have got many neighbours, men and women, who are now working on the tea gardens or have worked for some time in their lives in those gardens. As to the treatment which is accorded to them by their employers, it has never been satisfactory. I know of several stories which will corroborate what I have said, but this is not the place to relate them one by one. I may point out that I have had first-hand information from the coolies themselves. They are put under practical persecutions the night before the Deputy Commissioner comes to visit those parts, not to make any complaints before the Deputy Commissioner (*Mr. W. A. Cosgrave :* " Question ?") Our cooly men and women are not like the labouring classes of advanced countries in Europe and America. They do not make any distinction between their employer who is a white man, and the Deputy Commissioner when he is also a white man. They are under the impression that they all belong to one class, and if they make any complaint, it will not perhaps be heard and more persecution will come upon them. This has been my experience. If any legislation is to be undertaken to protect the coolie men and women it is to be enacted in this House. I have not gone into the details of the Bill like a lawyer, nor have I examined its provisions closely. I cannot say if, under the present circumstances, this Bill will benefit the labouring classes, or that they will get the minimum under this Bill, or whether they will not get even that at all. If the Bill is not to be enacted in this form or even delayed from that point of view, then I have nothing to say at all. But as to the treatment which is accorded to cooly men and women by tea planters in Assam, I am convinced from the stories that I have heard that the treatment is never satisfactory and any legislation which proposes to make the treatment betner should be welcomed by this House.

KHAN BAHADUR SARFARAZ HUSSAIN KHAN (Patna and Chota Nagpur *cum* Orissa : Muhammadan) : Sir, I rise to support my friend, Pandit Nilakantha Das. My friend on the other side said the Bill was based on humanitarian grounds ; but that women and other labourers in Assam were treated properly. Whether they were treated properly or not is another question. But I do not see how he can take any objection to the enactment of the Bill as applied to Assam only. The motion that has been moved is not to take the Bill into consideration, but simply to have if referred to a Select Committee, where all these details

regarding the matter can be threshed out. I am therefore at a loss to understand why any objection should be taken to this motion at this stage and I therefore support it.

*DIWAN BAHADUR M. RAMACHANDRA RAO (Godavari *cum* Kistna: Non-Muhammadan: Rural): Sir, I should like to make one or two observations with a view to elicit the exact attitude of Government in regard to legislation of this kind. Honourable Members will say that this Bill is one of those matters reserved for provincial legislation, but subject to Indian legislation. Well, Sir, Labour is not a subject which has been placed in this category. Sir, the Honourable the Home Member, when we were discussing the Bill relating to Hindu Religious and Charitable Trusts of my Honourable friend, Sir Hari Singh Gour, made statements which made us very uneasy. He said that we were really trenching on the sphere of provincial legislation, and he said he would deliberately divide the House to find out the attitude of this House in regard to questions which were reserved for provincial legislation, but which are also stated to be subject to Indian legislation. Sir, this Bill is one of that character. Not only this, yesterday we had another Bill of the same character, the Cotton Ginning and Cotton Pressing Factories Bill, which was initiated by the Government of India and which was submitted to this House for consideration. May I ask the Honourable Member, Sir, what the attitude of the Government of India is in regard to this class of legislation, and whether they have any consistent and uniform attitude in this matter? (*Mr. N. M. Joshi*: "What is your attitude?") Sir, a great deal has been said about provincial autonomy, and you, Sir, have been twitted with a desire of urging provincial autonomy in one breath and contradicting your own views by urging legislation in this Assembly in regard to Hindu religious trusts. Even the Government of India, Sir, seem to be in exactly the same position. Yesterday we had the spectacle of a provincial subject brought forward in this Assembly on the motion of the Government of India, and here we have Mr. Joshi again bringing forward another measure, which is certainly within the sphere of the provincial Legislative Councils. I therefore would like to know what really is the attitude of the Government in this matter, and whether they are themselves sincere in saying that we non-officials are trying to interfere in provincial matters. That is my first point.

Sir, in regard to this legislation I understood from the speech of my Honourable friend, Mr. Joshi, that the financial clauses of this Bill will impose the whole obligation of finding these maternity benefits on the employer, and I should like to know if that is correct I should also like to know whether this Bill will impose any obligation on the Provincial Governments.

MR. N. M. JOSHI: That depends on the Local Governments. If it is a contribution by the employers, the burden will be shouldered by the employers. If they choose to spend the money out of the public treasury, they may do so.

DIWAN BAHADUR M. RAMACHANDRA RAO: I am glad my friend has made that position quite clear. He says it is left to the Local Governments whether they will undertake a part of this burden, or whether they will shift the whole of the maternity benefits on to the employer. The Bill as drafted is not quite clear, and if this Bill is going to impose any financial burden on the provinces, that is really a matter in which the provinces should be consulted, and that makes it all the more necessary that this Bill should not be adopted by this House without the opinions of the Local Governments and the public. Sir, having said this, I must at the same time say that the Bill has my entire sympathy so far as its object goes. I see that the Honourable Member from Assam has raised very many practical difficulties in the working of this measure, and I feel exactly the same difficulties. What is the machinery by which this benefit is to be distributed? In Great Britain the matter is on an entirely different footing. I think there is adequate machinery there on account of the working of the National Health Insurance Acts, the Old Age Pensions and similar Acts, and therefore the question of distributing this benefit, the question of undertaking the necessary inspection, is entirely on a different footing. But here there is no elaborate machinery, and it is not to be found in this Bill. Therefore, Sir, on all these grounds I think we must have much more information of the exact bearings of this measure.

* Not corrected by the Honourable Member.

MR. CHAMAN LALL (West Punjab : Non-Muhammadan) : Sir, I do not want to take the time of this House over a Bill concerning which I believe there is a consensus of opinion in this House that it should be supported at least in principle, if not in detail. The only objections that have been raised to this Bill come from the Honourable Mr. Cosgrave on the one side, and the Honourable Mr. Chalmers on the other, and are supported in a half-hearted measure by the Honourable Diwan Bahadur Ramachandra Rao. His objections were rather indefinite objections, but the objections raised by the Honourable Mr. Cosgrave have got to be met. He says, according to what he has stated before us, that there is a case made out for the Assam capitalist, the Assam tea garden planter, that he treats his workers so well that there is no necessity for a measure of this kind being placed on the Statute-book. I am afraid that that *exparte* statement of his cannot be taken as gospel truth by this House. It is no doubt very imposing to hear that the employers in Assam give their women employees maternity benefits in the shape of half-pay wages for three months, or even six months, very imposing indeed to hear that the woman can sit at home for three months or six months and draw her wages to the extent of 50 per cent. and do no work. But what are those wages ? What is the total extent of those wages ? How much in money value do those wages come to, even half-pay for six months ? I hold in my hand the *Imperial Gazetteer of India* and I read there (page 65) that male coolies on the gardens usually earn from Rs. 4 to 5 a month, and women about a rupee less. Rs. 3 a month, Sir, are the wages of women employed in the tea gardens of Assam, and if you reckon their wages for three months, it is nine rupees, and what is it the employer gives them ? Rs. 4-8, as maternity benefit. Let us say they give them Rs. 9, which is full pay for three months, what is that sum. . . . .

MR. T. A. CHALMERS : May I ask the Honourable Member what year he is quoting ? Those figures are ten years out of date.

MR. CHAMAN LALL : I am very glad Mr. Chalmers has raised that question. I am quoting from the *Imperial Gazetteer*, new edition, 1908. (Laughter.) But does he want the latest figures ? I will give him the latest figures. I hold in my hand " Prices and Wages, 1923 " and what is it I read there ? Cachar Sadr Tea plantations, daily wages paid to women, Rs. 4-4-8. (*An Honourable Member:* " Monthy ") Monthly wages. And what are these wages, what do they include ? Here is a note appended and it says that these wages are calculated on the wages earned by the total number of coolies on the books during the months of September and March, including *ticca*, diet, rations, subsistence allowance and bonus per head. What is this *ticca ?*

MR. W. A. COSGRAVE : Sir, may I point out to the Honourable Member that the figures he has given are calculated on the total number of coolies on the books. The real way of seeing how much a cooly earns is to see the figures calculated on the average daily working strength. If he will look at the next column he will see that the figures are quite different. The Cachar Sadr figures are :—

	Rs.	a.	p.
For men	6	10	8
For women	4	9	3
For children	2	13	9

calculated on the total number of coolies on the books ; but calculated on the average daily working strength it works out to :—

	Rs.	a.	p.
Men	8	6	2
Women	6	10	0
Children	4	1	6

MR. CHAMAN LALL : How very handsome—Rs. 6-10-0. Calculated for one and a half months it comes to roughly Rs. 9 as three months' half pay—a very handsome figure indeed to give any woman as maternity benefit ! You come to this House and say that this is such a satisfactory state of affairs that you should not pass a measure applicable not only to Assam but to the whole of India. But even if these employers give this handsome relief

even if these philanthropic gentlemen consider they are treating their women very well, why should they object to a Bill being passed which would make it compulsory for them to give this benefit to their women instead of its being given at the sweet will of the employer ?

MR. T. A. CHALMERS : Sir . . . .

MR. DEPUTY PRESIDENT : Does the Honourable Member wish to speak on a point of order ?

MR. T. A. CHALMERS : I did not object to the principle of the Bill.

MR. DEPUTY PRESIDENT : Mr. Chaman Lall was not referring to the Honourable Member in particular.

MR. CHAMAN LALL : I am glad, Sir, you have understood I was not referring to Mr. Chalmers in particular. As a matter of fact, his speech I commend to the House ; he agrees to the principle ; but what I object to are the representatives of these Assam employers who come down here. (*An Honourable Member :* " And the Government.") I do not agree with my Honourable friend, Mr. Joshi, in including the Government, for the simple reason that I hope now that Sir Bhupendra Nath Mitra is in charge of this particular Department he will see that the measure before us is placed on the Statute-book. I would remind the Honourable Member of what was said in this very House on the 6th of June, 1924, in reply to Mr. Joshi's question. Mr. Joshi asked :—

> " Will the Government be pleased to state whether they or any of the Local Governments have made any efforts to persuade large employers of labour to introduce voluntarily schemes for maternity benefits in their industrial undertakings ? If so, will they be pleased to state what these efforts were ? If not, why not ?"

There was also another question by Mr. Joshi to which a joint reply was given by Sir Bhupendra Nath Mitra who said :—

> " The question was examined by the Government of India some three years ago at various meetings between their officers and Chambers of Commerce, Employers' Associations, factory owners, and others interested in the question. It was also discussed informally at a conference in Simla with representatives of Associations concerned with the welfare and medical relief of women and children. As a result of these discussions, the matter was brought to the attention of Local Governments who were asked to express their views in regard to the encouragement of voluntary systems of maternity benefits. Most Local Governments expressed their willingness to endeavour to persuade employers to start voluntary schemes for this purpose. The Government of India will ask Local Governments for further information on the subject, as desired by the Honourable Member."

All that I suggest therefore is this. The Honourable Member is pledged, I believe, to support the principle of a measure of voluntary relief. What we are asking him to do is to pledge himself to support a measure of compulsory relief in the case of women employees throughout India. The number of these women employees is not very large. But the objection has been raised by the Honourable Mr. Chalmers supported by Diwan Bahadur Ramachandra Rao that there are difficulties in the way of working this particular measure. Well, Sir, I think there is a very old saying " Where there is a will there is a way." If you start discussing the difficulties you will get nowhere. Almost every civilised country in the world to-day has a measure of this kind on its Statute-book, and are we to be asked by the representatives of the capitalists that we should not come into line with the rest of the civilised world in this matter ?

MR. W. A. COSGRAVE : Sir . . . . . .

MR. DEPUTY PRESIDENT : Does the Honourable Member wish to speak on a point of order ?

MR. W. A. COSGRAVE: I only wish to say I am not a representative of the capitalists here. I am a repersentative of the Assam Government.

THE HONOURABLE SIR ALEXANDER MUDDIMAN (Home Member): Sir, I should not have intervened in this debate if I had not been provoked to do so by my Honourable friend, Diwan Bahadur Ramachandra Rao, who asked me a question as to why I made certain remarks in connection with this House interfering with provincial legislation. Well, Sir, my answer is a very simple and short one and will not detain the House very long. If the Honourable Member will look at Part II of Schedule I of the Devolution Rules and will look at entry 23, he will see " Religious and Charitable Endowments ; " and if he will turn to Schedule III and if he will look at item 15 he will again see " Religiousand Charitable Endowments." Religious and Charitable Endowments, as he will gather from looking at the entries in the Devolution Rules, are in the first place provincial subjects, and, in the second place, they are transferred subjects, and, in the third place, they are not subject to Indian legislation. The Bill which is before the House, as I understand it relatesto welfare of labour. Welfare of Labour will be found in entry 26, sub-entry (*g*), of Part II of Schedule I, and Welfare of Labour is there made subject to legislation by the Indian Legislature. That, Sir, is my answer.

DIWAN BAHADUR RAMACHANDRA RAO : May I ask the Honourable Member whether this Bill could have been introduced in the Provincial Legislature ?

THE HONOURABLE SIR ALEXANDER MUDDIMAN : With sanction, certainly.

MR DEPUTY PRESIDENT : I do not think this discussion should be converted into a debate on a point of law.

MR. DEVAKI PRASAD SINHA (Chota Nagpur Division: Non-Muhammadan): Sir, we have been told that in the opinion of a certain Provincial Government in this country this Bill is both unnecessary and undesirable. It is unnecessary because in the tea gardens not only of Assam but also of certain parts of Bengal ideal arrangements prevail for looking after women. May I, Sir, for the benefit of the Honourable Member who has given expression to that opinion of the Provincial Government, quote from a document which is issued by the Government of India in the Department of Industries and Labour—Bulletin No. 31 by Dr. Curjel who is evidently a medical authority of some repute. At page 27 of that pamphlet, describing the conditions in the tea gardens the doctor says. . . . . .

MR. A. G. CLOW (Industries Department: Nominated Official): May I ask for information, Sir, whether what the Honourable Member proposes to read relates to Assam or to any area not covered by this Bill ?

MR. DEVAKI PRASAD SINHA : I never said that it relates to Assam ; I said it relates to Bengal.

MR. A. G. CLOW : I submit, Sir, that we are not dealing with Bengal tea estates.

MR. DEVAKI PRASAD SINHA : The Bill itself covers all ; and since my Honourable friend who spoke on behalf of the Assam Government mentioned the tea gardens in Darjeeling and some other parts of Bengal I think the portions of the report which I am reading have some relevance to this question. The learned doctor comments as follows :—

> " The doctors employed on tea estates rarely possess a registerable qualification, the salary offered being too low to attract better trained men."

Further on the report says :—

> " It was said that women workers on the estates will not go into hospital, but the hospitals mentioned were in many cases open wards and there was no provision for the nursing and protection of women patients."

A little further down it is said :—

" On most tea estates there were a certain number of plains women who acted as *dais* when required. Their fees were lower than those charged near Calcutta, but usually not less than one rupee was paid. An indication of the economic value of women's labour on tea gardens was the fact that in many cases the same fee was paid to *dais*, whether the child was male or female. Some of these *dais* were relatively cleanly in person, and had fairly successful results, others were dirty, and deaths occurred among the mothers attended. *Dais* regarded abnormal cases as foredoomed to die."

Then the report says :—

" Women workers on tea estates took their infants with them on the gardens, the baby being carried in a basket slung across their shoulders."

MR. A. G. CLOW : May I ask your ruling, Sir, on a point of order ? The estates to which this Bill relates are purely within the confines of Assam. The Honourable Member is reading a very able bulletin relating to tea estates in Bengal.

MR. DEPUTY PRESIDENT : I do not know where the Honourable Member (Mr. A. G. Clow) has got the idea that it relates only to Assam. Under clause 2, " estate " no doubt means an estate as defined by the Assam Labour and Emigration Act, 1901. I think, I also had a similar idea, but on reading carefully, he will find that the Act operates throughout the country as regards factories and mines.

MR. A. G. CLOW : The Act, Sir, applies to British India ; but the estates referred to, I think I am right in saying, are entirely within Assam.

MR. DEPUTY PRESIDENT : I think that what Mr. Sinha has been quoting is perfectly relevant.

MR. DEVAKI PRASAD SINHA : Thank you, Sir. Now with regard to the desirability of a measure like this, my Honourable friend has quoted the opinion of a certain doctor who is supposed to be an expert in Kala Azar. I wish, Sir, that that doctor had confined his researches into the domains of Kala Azar only. There are much better authorities than the doctor in question who have pronounced in unmistakable terms the necessity of measures such as those proposed in my friend, Mr. Joshi's Bill. I shall read to the Assembly again from the same extract which I quoted before, because I believe that since it is published under the authority of the Government of India it will carry some weight with the officers of the Government of India. It says at page 3 :

" It is better for the health of mother and child, if women workers do not undertake industrial work for six weeks before and after confinement; and following the recommendations of the International Labour Organization, legislation has been introduced in some countries to make such abstention from work compulsory."

Sir, I understand that out of the total number of countries that are signatories to the League of Nations covenant, there are not more than two or three countries that have not introduced measures of this kind. To say that there are difficulties in the way of accepting proposals like this is to mention the old, old argument, that is used against all such beneficent measures. There are difficulties ; nobody doubts there will be some cost incurred in providing for maternity benefits. Nobody says that it can be done without any cost or labour. But the whole question that this House has to decide is this : whether the benefits that would accrue from this measure to the community as a whole will be commensurate with the cost which will be involved in giving effect to this proposal, and whether the demands that are made upon the representatives of the people by this aggrieved section of the community are demands which ought to go unnoticed. Sir, my Honourable friend from Madras who is unfortunately absent from his place has raised some technical objections that have been answered by the Honourable the Home Member. He has also mentioned that in this matter those bodies or communities that have to pay ought to be consulted and their opinions taken

into consideration. Sir, I wish the suspicions and the honest doubts of my Honourable friend had arisen in this House on so many other occasions when we discussed the numerous proposals for levying indirect taxes on the poor working classes in this country. To suggest that any extra expenditure involved in working this scheme would be resented by any Local Government is, I submit, to doubt the human sentiments of the members of those Local Governments. I believe, Sir, I am right in presuming that at this hour of the day there are very few men, holding advanced views on matters social, who would doubt the utility of this measure. The only thing that has to be considered is how to work it out, and for this the best solution would be to go into Select Committee. With these words I support my Honourable friend, Mr. Joshi.

MR. W. S. J. WILLSON : Sir, there appears to be some misunderstanding as to the attitude which such classes of employers as I represent adopt in regard to this matter. Because Mr. Chalmers said that he was in sympathy with the " objects " of the Bill it appears to have been taken for granted that we were in sympathy with the " principle " of the Bill. That is exactly not the case. We are so much in sympathy with the objects of the Bill, that we have already put them into operation since a very long time ! but we are opposed to the principle of the Bill at this stage. When I asked Mr. Joshi how he would apply it to provinces like Burma, where the bulk of female labour is casual, and is not employed on estates and so on, you remember the wavering answer that Mr. Joshi gave me. It plainly showed that the Bill, and the effects of the Bill, had not been thoroughly thought out and threshed out and he would like this House to commit itself to the principle of the Bill before it has any idea how Mr. Joshi would propose to deal with casual labour. I think, Sir, the remarks which fell from Mr. Cosgrave, who showed a wonderful knowledge of the labour conditions in his own province, and from Mr. Chalmers, were probably news to a great many members of this House who probably had no idea that so much is done, not only for employees generally, but for women in particular. Sir, the interests that I have to represent here are so large that I should weary the House beyond measure if I attempted to take you into the details of other industries, such as the jute mills, the cotton mills, the coal mines and so on But I can assure you, as a general statement, that similar concessions are given in all the big industries of India. I am sorry to note the absence of the Honourable Member who represents the cotton industries on the Bombay side, or he might like to give you his figures in detail.

There is one point, however, that I do wish to make and that is this : when you get an Honourable Member like Mr. Chaman Lall, rising in this House, as he did the other day on the other Bill (Weekly Payment of Wages) and saying that the interests of employers and employees are diametrically opposed, I cannot allow it to pass. That of course is the kind of statement that this House is accustomed to hear from Mr. Chaman Lall. He bases his remarks usually upon some witticism or sharp retort which might score a point in a debating society, but cannot be expected to go down in this House. If Mr. Chaman Lall had ever been an employer on anything like a large scale, he would know, as all my friends who are employers know, that the interests of the employer and the employee are practically one, that is to say that no employer would be so foolish as to cut his own throat by giving either less wages than other people in the same industry give, or by withholding reasonable, small and not too expensive concessions which will add to the happiness and contentment of his labour force, which it is one of his most.....

MR. CHAMAN LALL: I do not want to interrupt the Honourable Member, Sir, but may I remind him that that is exactly what the lion said to the lamb in the fable—that their interests were identical.

MR. W.S.J. WILLSON: It is one of his greatest objects to keep his labour force together.

Then, Sir, Mr. Devaki Prasad Sinha quoted some remarks of Dr. Curjel to which I should like to read an extract, only a short one, from a letter that I received the other day from the Dooars :—

" Three years ago the British tea gardens in the Dooars all commenced voluntarily to give maternity benefits, and now all estates in Assam, Cachar, the Dooars and Dar-

jeeling have adopted the system, with the exception of a few Indian controlled gardens. Pregnant women in the Dooars receive a month's pay before confinement, and for two months after the birth—whether they are workers or not. The labourers are entirely free, under no agreement, and earnings are so good that a man who works well, namely for three-quarters of the month, is able to keep his wife in the house." (That is without working.)

"A bonus of one rupee a month is paid after her first two children—to induce the mothers to bring the babies in one morning for the manager's inspection—for 8 months before delivery, and all anæmic women, or sickly women, or those with babies who are not flourishing receive sick (full) pay until they are well. Milk is provided free for all sick infants, including mothers who require it. Bottles properly cleaned and prepared are issued every morning at the dispensary for any babies whose mother is unable to feed them properly herself. Medical attendance is given (that is free too) and the British doctor is called in for any difficult case of delivery. I defy any one in India to produce a plumper, healthier batch of children than my crop of this year." (Laughter.)

Sir, I may tell the House that every manager is proud of the number of children born on his estate:

"The birth rate is 67.5 in the year 1923, three times that of the death rate. That is evidence, I think, of content and prosperity."

I submit again, Sir, that that is what all wise and prudent employers of labour endeavour to achieve amongst their staff.

Now, one of the other points we object to is this. Mr. Joshi's Bill in its present haphazard form proposes that the amount, which, as I say, most of the industries do pay, should be handed over to Government, to that in fact the people who pay it are not going to get the benefit of it. You are to pay for these things and your staff are not to get them and you are not to have the benefit of contented labour. That is one of our principal reasons for opposing the Bill.

Then, Sir, another point which as usual I have to take serious exception to in Mr. Chaman Lall's remarks is that, in the first place, he attempted to trail across this House, a rate of wages some 16 years old, and had he not been promptly pulled up over it by Mr. Chalmers, he might have, I am afraid, left it as a wrong impression on the House. But of course he is too clever not to have a second shot in his locker if he is challenged. What I want the House to understand is this that, although the figures actually paid in the tea gardens do not sound high compared with what is paid in places like Bombay and Calcutta, they are, in fact, so sufficient that the people will not do enough work for them to earn more. I had the other day before me the figures of a tea estate in the Dooars, and I found that not more than 55 per cent. of the labour was working at all. This money goes so far in agricultural districts where they have so much given to them free houses, free medical attendance and so much as already stated that is free, that the money is enough for them. They could have more if they wanted to.....

MR. CHAMAN LALL: May I ask the Honourable Member if he will let us have the statistics in respect of absenteeism due to sickness?

MR. W.S.J. WILLSON: I will let him have a copy of the whole Report if he wants it.

MR. DEPUTY PRESIDENT: I may inform the Honourable Member that he need not make way unless a point of order is taken.

MR. W. S. J. WILLSON: Sir, you find exactly the same thing in the coalfields where free houses, free medical attendance and so much free is given. It is because, as I said, that so much is already given (I am not going to put it to the House that it is purely a philanthropic work—it is not pure philanthropy but it is economically sound) it is advisable

for the man, who pays for these wants, to see that his own staff get the benefits and that therefore labourers come to him and stay with him. That is where the principle of Mr. Joshi's Bill breaks down.

In regard to the difficulties of administration, my friend Mr. Cosgrave has very ably dealt with them and I do not propose to refer to them again, but I do think enough has been said so far, that we should not commit ourselves, and my Chambers of Commerce emphatically do not and will not commit themselves, to the principle of this Bill. They are so much in sympathy with the objects which the Bill has in view that they already confer these benefits themselves.

I did not intend to speak quite so early in this debate, because I was waiting to support the amendment that the Bill should be circulated.

MR. A. RANGASWAMI IYENGAR and SIR HARI SINGH GOUR : I move, Sir, that the question be now put.

THE HONOURABLE SIR BHUPENDRA NATH MITRA (Industries Member) : Sir, I beg to move an amendment to the motion now before the House. My proposal is that the Maternity Benefits Bill be circulated for the purpose of eliciting opinion thereon. I am compelled to move this amendment in spite of the appeal made to me this morning by my friend Mr. Joshi as the trend of the discussion in this House and the reasons which I shall proceed to set forth later on indicate that the course which I now propose cannot be avoided in the interests of this House. I am sure that every one in this House has listened with considerable interest to Mr. Joshi's vigorous advocacy of a certain class of wage-earning women in India. About the basic object of his Bill there can be very little doubt. I am not sure, however, that every one of us is as fully impressed as Mr. Joshi about the utility, or the practicability, under present-day conditions in India of the precise measure which he has placed before us. In the Statement of Objects and Reasons appended to the Bill, and also in his speech here this morning Mr. Joshi mentioned that his Bill seeks to carry out some of the proposals contained in the Draft Convention passed at the first International Labour Conference held at Washington in 1919. The Bill actually reproduces some of the provisions of the Draft Convention concerning the employment of women before and after child-birth. The other day in introducing in this House the Trade Unions Bill I observed that enactments produced in this House should be Indian Bills designed with ample knowledge and recognition of Indian conditions, and that they should not be mere imitations of measures adopted in other countries to suit different conditions. I find that the Right Honourable Sir Montagu Barlow, a former Labour Minister of England, has expressed a similar opinion in the course of a special interview granted to a newspaper representative at Calcutta. Mr. Joshi's Bill furnishes a good illustration of the dangers and difficulties we are likely to fall into by a blind imitation of measures adopted in other countries. As a matter of fact Mr. Joshi is fully aware that the Washington Conference of 1919 realised that the provisions of the Draft Convention relating to the employment of women before and after child-birth could not be introduced in India in the conditions prevailing in the country, and instead of asking the Government of India to ratify the Convention they accordingly supplemented the Draft Convention by the following Resolution :—

> " That the Indian Government be requested to make a study of the question of the employment of women before and after confinement, and of maternity benefits, before the next Conference."

The Government of India examined the question in 1920-21 in consultation with the Provincial Governments and they came to certain conclusions which were reported in due course to the International Labour Office at Geneva. These conclusions were as follows : In the first place compulsory abstinence from work could not under existing conditions be legally enforced. If the attempt were made, women who were refused admittance to regulated factories would easily obtain work in non-regulated factories, or in agriculture. Further, employers and inspectors would find it almost impossible to enforce this provision. The existing system of birth registration in India was not sufficiently accurate for the purpose in view. In the second place, the right to leave work six weeks prior to confinement would

be dependent on the production of a medical certificate. Indian women would be most unwilling to obtain such certificates except from women doctors. The small number of qualified women practitioners in India made such a proposal quite impracticable. In the third place, the opinion of Local Governments was on the whole against the institution of a compulsory levy for the grant of pecuniary help during the period of absence from work due to an advanced state of pregnancy or confinement. Lastly, it was found that women who absented themselves from their work in consequence of advanced pregnancy or confinement did not find any difficulty in being reinstated when they were fit to resume work, and there was therefore no practical need for legislating in the matter. Now, Sir, Mr. Joshi this morning did not explain to us whether conditions in India had now changed since the time when this report was made.

MR. N. M. JOSHI : I did not approve of this report at all.

THE HONOURABLE SIR BHUPENDRA NATH MITRA : That is a different matter. He said something about medical certificates, namely, that in Bombay women workers would not object to get medical certificates from male doctors. I am afraid that is not the position in all parts of India. One Local Government has definitely stated that the production of the medical certificate was one of the items of the Bill which it would be impossible to work. Mr. Joshi, we found out this morning, has no clear ideas yet as to the source from which his proposed maternity benefits are to be met. His Bill apparently contemplates that they should be met by the levy of some form of contribution from the employers; but in reply to a question from my friend Diwan Bahadur Ramachandra Rao he seemed to suggest that Local Governments might also make contributions from provincial funds. Then again Mr. Joshi's Bill does make no specific provision about the machinery by which the doles to be paid under his scheme are to be distributed. I trust that this House will recognise from what I have said, and also from the trend of the debate this morning, that the measure before us is one of considerable complexity, and that it is not so simple as Mr. Joshi makes it out to be, though it may be a simple process to copy out in a Bill some of the provisions of a particular Convention of the Washington Conference of 1919. And I have no doubt that this House will agree with me that it cannot be expected to proceed to deal with a measure of such complexity and importance, until it has been given the widest publicity and the House is in possession of the opinions on it of the various parties affected by its provisions, as well as of the Local Governments who under our existing constitution are primarily responsible for the welfare of labour. In introducing his Bill in this House last September, Mr. Joshi himself seems to have fully recognized the need for circulation and he asked Government to obtain the opinions of the Local Governments on it. The Government of India accordingly circulated the Bill to Local Governments at the beginning of October last. Some of the more important Local Governments have, however, been unable by now to obtain all the local opinion they have invited on the measure, and we are still awaiting the replies of the Governments of Bombay, Bengal and the United Provinces. The replies so far received reveal that the measure proposed by Mr. Joshi bristles with difficulties in regard to its practical operation. Three of the Local Governments of Governors' Provinces have indeed gone so far as to express the opinion that the measure is unnecessary so far as their provinces are concerned, and that they should be excluded from its operation if the Bill is passed by the Central Legislature. The subject is accordingly one which would require the most careful consideration on our part, and for this purpose it is important that the Bill should be circulated for opinion.

MR. M. A. JINNAH (Bombay City : Muhammadan Urban) : Sir, when I listened to the speech of the Honourable Member from Assam, Mr. Cosgrave, he created two impressions on my mind. One was that Assam was full of angels and that it was the best place in the world to live in. Another was that I almost thought, although it is not possible, that I might become a cooly woman in Assam. Then, Sir, when I listened to my friend, Mr. Chaman Lall's blood-curdling account of the tyranny of the employer over the employees, I thought it was a bad world. Then when I heard my friend Mr. Willson, I again acquired a certain amount of equilibrium and I thought that the employers were not quite so bad as they were painted by Mr. Chaman Lall. But all this, Sir, is beside the question. The question really before the House is this. Is this problem one which requires solution by legislation or not ? That is the question. Sir, Mr. Willson said that the very principle of this Bill and the very

object this Bill seeks is the one that the employers are trying to carry out. Now, Sir, he knows perfectly well, it is an old, old story, we know it perfectly well, and Mr. Willson himself admitted that after all what the employers are doing, they are not doing as philanthropists; they are doing it because it is in their own interest. We know perfectly well that there is the interest of the employer, and there is the interest of the employee, and we know, it has been an age-long cry, that the employer has always taken advantage of the employee, and it cannot be left to parties not equally pitted against each other. The time does come in every country when it cannot be left to the sweet will and the good wishes of the employer to solve this problem. The Legislature has got to step in, and I congratulate my friend, Mr. Joshi, on having introduced this Bill; and I have not heard a single speech which has made out a case that this principle of his Bill should not, if possible, be given effect to. But a far more difficult question is, how to give effect to that; and, Sir, I have read this Bill as carefully as I could and I am not satisfied with the provisions of this Bill. I am not satisfied that a Bill of this character will achieve the object that Mr. Joshi has at heart. This is a question on which we require a great deal more information, and an important and serious question as it is, we must also have little more patience if we are going to deal with it in an effective manner. Now, Sir, to draw the attention of my friend, Mr. Joshi, let us see how sketchy this Bill is, and I will give you only one instance. The main thing which we require is the fund, because that is really the crux of the whole business. How are you going to create this maternity fund? How does he propose to do it? He himself has not got a very clear idea. But his Bill, I may point out to him, leaves it to—what?—to the rules being made. Clause 7 says this:—

> "Every Local Government shall make rules for the establishment of a Maternity Benefit Fund; for fixing the amount of contribution to be paid to it by each factory or mine or estate; for the collection of the contributions and for the management and safe custody of the fund."

And when these rules are made, they will have to be carried out. Supposing a Local Government, we will say Bengal, makes rules and under those rules Mr. Willson is required to contribute Rs. 10,000 to this Maternity Benefit Fund. When that rule is made, how is that going to be enforced under Mr. Joshi's Bill? (*Mr. Devaki Prasad Sinha:* "Certificates will be issued.") Mr. Willson might then say, "I am not going to pay."

(*At this stage Mr. Deputy President vacated the Chair, which was taken by Mr. President.*)

But where is the provision in the Bill to enforce the Rules? The provision in the Bill is this—the penalty is this that if you do not comply with any rule or any clause of this Bill, the penalty is Rs. 500—and I am sure that Mr. Willson would prefer to pay Rs. 500 to paying Rs. 10,000. That is the difficulty. Therefore, Sir, we must have a proper well-considered scheme. We must elicit opinions, and we must give far more attention and far more careful examination to this question and then allow this Bill to go to a Select Committee. I do not wish to take up the time of the House.

The other question which I want to emphasize is that which was raised by Mr. Chalmers very rightly and also by Mr. Cosgrave. You have to set up an enormous machinery for the purpose of carrying that benefit to those women to whom you intend to give it and who will require this support which is the main object of this Bill. In Assam alone you have got 250,000 women workers—that is what I understood. But this Bill is dealing with India. Now, how is that to be done? You must therefore carefully consider what machinery you are going to set up. Sir, I do not wish to take the time of the House any more, but I certainly agree at least on this occasion with the Government and I therefore support the motion for the circulation of this Bill for further opinion.

MR. A. RANGASWAMI IYENGAR: I move, Sir, that the question be now put.

MR. N. M. JOSHI: Sir, in the present temper of the House, I do not wish to speak for more than five minutes. I congratulate myself upon the sympathy and support which my Bill has received at the hands of the members of this Assembly. I know, Sir, that my Honourable friend, Mr. Willson, stated that he fully sympathised with the object of the Bill

but he opposed the principle of the Bill. Sir, I cannot conceive any man sympathising with the object of the Bill but not sympathising with the principle of the Bill. My objects and principle, Sir, are practically the same here. The principle of the Bill is to prohibit the employment of women some time before and som etimeafter confinement and to give them maternity benefit during the period. If you sympathise with this you sympathise with the object of the Bill as well as the principle of the Bill. I know, Sir, that my Bill may be considered to be defective in details. Asamatter of fact the criticism is that there are very few details in my Bill. But, Sir, in this matter I followed the very good example of the Government of India Act, by which the Government of India themselves work to-day. I have left many things to be done by rules and I have left the details to be worked out by the Local Governments by rules. I also wanted to satisfy my Honourable friend Mr. Ramachandra Rao. I knew, Sir, that the welfare of labour is the business of Local Governments and it is for that purpose I left the details to be worked by Local Governments and have not entered them here in this Bill. There is not much other criticism, except what my Honourable friend, the representative of the Assam Government, said. He said that the Government do not think the Bill to be necessary, because the planters are already giving maternity benefit. Sir, I knew that the planters in Assam were giving some kind of maternity benefit and therefore I expected the Assam Government not to oppose it. I thought when the planters in Assam are giving maternity benefit, not only should the Assam Government support my Bill but it should insist that the other industries also should have such a regulation. Sir, I passingly reciprocate my regret with my Honourable friend that I did not meet him in Assam when I went there. I also reciprocate his regret that I did not make mention of the maternity benefit scheme to the planters in my small article. He ought to have rememberedthat when I was writing an article I was not writing an encyclopædia. Sir, I do not wish to deal with the other points of criticism, because on the whole I feel that there is much support for my Bill. I have already explained, for the reasons which I have also stated, that I cannot oppose the amendment put forward by the Honourable Member in charge of the Department of Industries and Labour. I leave the matter in the hands of the House.

MR. PRESIDENT : The original question was :

" That the Bill to regulate the employment of women in factories and mines and on those estates, to which the Assam Labour and Emigration Act, 1901, applies, some time before and some time after confinement, and to make provision for the payment of maternity benefit, be referred to a Select Committee."

Since which an amendment has been moved :

" That the Bill be circulated for the purpose of eliciting opinions thereon."

The question is :

" That the Bill be circulated for the purpose of eliciting opinions thereon."

The motion was adopted.

No. 547/73 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 15*th April*, 1925.

THE DIRECTOR,
LABOUR OFFICE, BOMBAY.

SIR,

I have the honour to state that the Secretary to the Government of Bombay, General Department, forwarded to this Association on 16th March, 1925, a copy of Government Resolution No. 1066 dated 9th March, 1925, together with accompaniments in connection

with the Maternity Benefit Bill introduced by Mr. N. M. Joshi in the Legislative Assembly and requested the Association to communicate to you their views on the provisions of Mr. Joshi's Bill.

2. The whole subject was veryexhaustively dealt with in the Association's letter to you dated 8th December, 1924, and my Committee have very little to add to what they have already stated in that letter.

3. There are two points in the Association's letter of 8th December, 1924, to which my Committee again desire to draw the special attention of Government :—

(1) The very exhaustive investigations made by the Government of India and the Provincial Governments into this question of Maternity Benefits led them to the unanimous conclusion that legislation on the lines of the Draft Convention adopted by the International Labour Conference at Washington was premature, impracticable and unsuited to the conditions prevailing in India.

(2) The Draft Convention adopted at Washington enjoined that the benefits to be paid to women in connection with their confinement should be provided either out of public funds or by means of a system of State insurance. Mr. Joshi, how ever, goes even beyond the provisions of the Draft Convention and wants industrial employers to pay for the maternity benefits for women employed in-industries. That industries should be made to contribute funds in connection with the confinement of women engaged in industries is a proposition unheard of even in the most advanced industrial countries, and it is a matter of great surprise to my Committee that Mr. Joshi had no hesitation in seriously bringing forward such a novel proposition.

4. It should be further remembered that even the Draft Convention itself was deemed unsuitable for India by the Government of India delegates at whose instance a special resolution was passed which merely requested the Government of India to make a study of the question of the employment of women before and after child-birth, and of maternity benefits, and to report the results of their investigations to the next Conference. The report which the Government of India accordingly submitted after a most elaborate investigation into the whole question constitutes a complete refutation of the principles advocated by Mr. Joshi in his Bill.

5. My Committee are pleased to note that the Government of Bombay in the letter they addressed to the Government of India so recently as 13th February, 1925, have expressed views which are practically identical to the views expressed by this Association.

6. In conclusion, I am directed to state that it is my Committee's considered opinion that well-meaning but over-enthusiastic champions of labour would be well advised if before recommending legislation totally unsuited to the needs of the country, they would first bestow the most careful study on labour questions in all their bearings. If Mr. Joshi had carefully studied the conclusion arrived at by the Government of India and the Provincial Governments after a most exhaustive investigation into the question of Maternity Benefits, he would certainly have desisted from introducing in the Legislative Assembly the Bill under consideration. My Committee wish to maintain, with all the emphasis at their command, that the interests of capital as well as of labour require that a halt should be called in labour legislation of the type of Mr. Joshi's "Maternity Benefits Bill" or Mr. Chaman Lall's "Weekly Wages Bill." At present the cotton mill industry of the country is passing through a very grave crisis, and at time like this, it is neither wise nor judicious to add to the troubles of the situation by introducing in the Legislative Assembly Bills unsuited to the industrial conditions of the country and calculated to impose on industries responsibilities unheard of even in the industrially most advanced countries in the world. My Committee earnestly trust Government will take due cognisance of this fact and will use all their influence in preventing further labour legislation being introduced in the Legislative Assembly for some time to come.—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 20.

BILL TO CONSOLIDATE, AMEND AND EXTEND THE LAW RELATING TO INSURANCE COMPANIES.

No. 4327-G/24.

REVENUE DEPARTMENT,
BOMBAY, *17th August*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT :—*Acts and Regulations—The Indian Insurance Companies Bill.*

SIR,

I am directed by the Governor in Council to forward a copy of Government Resolution No. 4327/24, dated 15th August, 1925, and to request that Government may be favoured with the opinion of your Association on the provisions of the Bill and specially on the points brought forward in the letter from the Government of India.

2. The reply to this reference may, please, be forwarded so as to reach Government by 25th September, 1925.—I have, etc.,

DAVAR,
for *Deputy Secretary to the Government of Bombay,*
Revenue Department.

No. 36-I.

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, *22nd June*, 1925.

TO

ALL LOCAL GOVERNMENTS AND ADMINISTRATIONS.

SIR,

I am directed to forward a draft of an Insurance Bill which, in accordance with Rule 18 of the Indian Legislative Rules, was published in the *Gazette of India*, dated the 20th June, 1925. I am to request that (with the permission of His Excellency the Governor in Council, etc.) the Bill may be given wide publication and that the Government of India may be favoured with the views of the Local Government, of the Judges of the High Court and of important commercial bodies on the draft Bill. The Statement of Objects and Reasons explains briefly the main objects of the Bill, and further information about its provisions will be found in the Notes on clauses. The Government of India think it unnecessary, therefore, in this letter to do more than refer to a few points of major importance on which opinions are specially desired.

2. In the first place, it will be observed that the Bill purports to regulate all forms of insurance business carried on in India. Hitherto, as Local Governments are aware, legislation in India has been confined to Life Assurance Companies and Provident Insurance Societies. The extended scope of this Bill is a development necessitated in the opinion of the Government of India by the growth of the insurance habit in India, and it is believed that this view will find general acceptance.

3. I am next to refer to certain important clauses which explain the general scheme of the Bill. Clause 10 prescribes deposits for every kind of insurance business, the object being to prevent the growth of mushroom companies. Clause 9 prohibits loans to directors except in stated circumstances. Chapter IV deals with the important question of accounts and returns. The annual preparation of a revenue account, a profit and loss account and a

balance-sheet is made obligatory, and the accounts must be properly audited. The shareholders and policy-holders (clause 33) have a right to copies of the accounts, and clause 38 makes it incumbent on the Governor-General in Council to publish a summary of them. Clause 25 prescribes a quinquennial actuarial valuation of life assurance companies. Clause 31 enables the Governor-General in Council to appoint Inspectors to examine the affairs of any insurance company and clause 32 confers on the Governor-General in Council power, in the event of his seeing reason to doubt the solvency of any life company, to require an actuarial valuation. Clauses 47 and 48 (*c*) are also important in this connection. It will be seen that, while considerable powers are reserved to the Government of India and while in some respects Government's existing powers of control over life companies are tightened up, the Government of India in preparing the Bill have adhered to the policy of the Life Assurance Act of 1912 and that they rely for the protection of the public mainly on deposits *plus* publicity. On the whole, it is thought this policy has justified itself by results, and the Government of India as at present advised are of opinion that stronger justification would be required for any radical departure from the policy hitherto accepted in respect of life assurance companies than they believe to exist. I am to enquire whether Local Governments are in general agreement with this view, or whether they would prefer that Government should exercise a stricter and more detailed control over the operations either of life assurance companies or of insurance companies generally than the Bill provides. In the latter event, I am to ask in what directions it is thought that control should be tightened.

4. Closely connected with this question is the question whether the Bill should contain provisions to the effect that insurance companies constituted outside of, but operating within, British India should be required to keep in British India, under Government control, assets equal to the reserve value of the policies issued by them in British India. The Insurance Laws of many countries contain provisions of this kind. It is claimed, in the first place, that such provisions would protect the interests of policy-holders in this country, in the event of the liquidation of any company not constituted in, but operating within, British India. In that event funds would be available in this country for the payment of the reserve value of the policies issued in British India. The reserve value of a policy of course is much less than the sum assured, and in the case of a life policy may be taken as roughly equivalent to the surrender value. The policy-holder in British India would therefore be protected to the extent of a sum equivalent to that which he would have received if he had surrendered the policy for a cash payment immediately prior to the date of liquidation. He receives no additional protection. This is the first advantage that is claimed for provisions of this kind. The second is that such restrictions, in so far as they hamper the operations of companies constituted outside the country, tend to foster the growth of indigenous companies.

5. On the other hand, there are various objections to the inclusion in the Bill of restrictive provisions of this nature. Experience has not shown that such provisions are necessary, and it might legitimately be argued that it is more in the general interest, in present circumstances in India, to foster the growth of the insurance habit by providing the safest possible insurance at the lowest possible price than to foster the growth of indigenous insurance companies. Moreover, the implications of the proposal should not be overlooked. A statutory valuation of assets would be the necessary consequence of provisions of this kind, and this statutory valuation would necessarily be applied to Indian as well as non-Indian companies. A large staff of Government actuaries would be required, and it would be impossible to avoid a large measure of interference with the management of companies. But there are other graver objections to statutory valuations. Where companies are left to themselves, experience leads them to adopt strict standards of valuation, and it is by these methods that many British companies have built up for themselves a world-wide reputation for strength and reliability. On the other hand, there is a danger that a statutory valuation may be a lenient valuation. The same basis of calculation must be applied to all companies, and the tendency may be for the valuation to be adjusted to the needs of the weaker rather than of the stronger companies. Indeed a statutory valuation may become little more than a test of bare solvency. On the other hand, the public is apt to place too great reliance on the results of the valuation, and the companies themselves, instead of strengthening their position by the continuous application of strict standards, may tend to remain satisfied with the bare minimum of a statutory valuation. In other words, the danger of a statutory valuation is that it may lead to a lowering of standards.

6. It is for these reasons that the Government of India have decided provisionally not to include any provisions of this nature in the Bill. They have contented themselves with prescribing (clause 29) that insurance companies constituted outside British India, to which the Assurance Companies Act, 1909, applies, should furnish, in addition to copies of the returns deposited with the Board of Trade, certain annual statements. These statements will show, *inter alia*, the assets held by the company in India and how much of the premium income of the year is in respect of business transacted by the company in India. These provisions are in accordance with the main principles of the Bill, and will enable the Indian public to decide whether or not to insure with that company. It will also be seen that the exemption now enjoyed by British companies from some of the provisions of the Indian Life Assurance Act, 1912, has been withdrawn, and that all the insurance companies, whether constituted within or without British India, have been placed practically in the same footing.

7. But the question discussed in the preceding three paragraphs of this letter is a difficult one, and the Government of India would be grateful for a full expression of opinion on it from Local Governments and commercial bodies.

8. I am next to invite attention to clause 32 of the Bill. This clause is entirely new, and its objects are briefly explained in the Notes on clauses. There appears to be a considerable volume of instructed opinion in favour of a clause of this kind in England at present, but the effect of such action as is contemplated by the clause on the credit of the company concerned requires careful consideration.

9. There is only one other point to which the Government of India think it necessary specifically to refer. Local Governments are no doubt aware that the Board of Trade has appointed an expert Committee to examine some of the provisions of the English Assurance Act of 1909. The preliminary conclusions of the Government of India may require revision in the light of the findings of this Committee. In the meantime, they have thought it advisable to set out these conclusions in the concrete form of a draft Bill, their object being to facilitate criticism and elicit opinion not only on the general policy of the Bill, but also on detailed provisions. The subject is a difficult and important one, and the Government of India recognize that Local Governments will require time to consider it in the light of the opinions they may receive. But they will be grateful if efforts could be made to let them have replies to this letter by the beginning of next November.—I have, etc.,

D. T. CHADWICK,
Secretary to the Government of India.

A BILL TO CONSOLIDATE, AMEND AND EXTEND THE LAW RELATING TO INSURANCE COMPANIES.

Whereas it is expedient to consolidate, amend and extend the law relating to Insurance Companies ; It is hereby enacted as follows :—

CHAPTER I.—*Preliminary.*

Short title, extent and commencement.

1. (1) This Act may be called the Indian Insurance Companies Act, 192 .

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on such date as the Governor-General in Council may, by notification in the *Gazette of India*, appoint.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context—

(*a*) " accident insurance business " means the issue of, or the undertaking of liability under, policies of insurance upon the happening of personal accidents, whether fatal or not, disease, or sickness, or any class of personal accidents, disease or sickness ;

(*b*) " actuary " means an actuary possessing such qualifications as may be prescribed;

(*c*) " certified, " in relation to any copy or translation of a document required to be furnished by or on behalf of an insurance company, means certified by a responsible officer of the company to be a true copy or a correct translation, as the case may be ;

(*d*) " chairman " means the person for the time being presiding over the board of directors or other governing body of an insurance company ;

(*e*) " Court " means the principal Civil Court of original jurisdiction in a district, and includes the High Court in the exercise of its ordinary original civil jurisdiction ;

(*f*) " dividing society " means any insurance company which carries on business on the dividing principle, namely, under which the benefit secured by any policy issued by it is not fixed, but depends either partly or wholly on the results of the division of any portion of the premium income or funds amongst policies which have become due for payment either equally or in proportion to the premiums received under each class in any specified period ;

(*g*) " financial year," in relation to any insurance company, means each period of twelve months at the end of which the balance of the accounts of the company is struck, or, if no such balance is struck, then the calendar year ;

(*h*) " fire insurance business " means the issue of, or the undertaking of liability under, policies of insurance against loss by or incidental to fire ;

(*i*) " insurance company " means any person (other than a Provident Insurance Society registered under the Provident Insurance Societies Act, 1912) who carries on any class of insurance business in British India, and includes any person who intends to carry on any such business or has appointed or recognises any other person as his agent in British India with the object of obtaining insurance business of any class ;

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(*j*) " life insurance business " means the issue of, or the undertaking of liability under, policies of assurance on human life, or the granting of annuities on human life ;

(*k*) " life insurance company " means an insurance company which carries on life insurance business either solely or in conjunction with any other business or businesses ;

(*l*) " life policy " means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life, and includes any instrument which provides for the payment of an annuity for a term dependent on human life ;

(*m*) " marine insurance business " means the issue of, or the undertaking of liability under, policies of insurance against loss or damage to any vessel or to goods, wares, merchandise or property of any kind in transit by water ;

(*n*) " policy " means a policy of insurance or assurance in any class of insurance business, and includes any policy under which there is for the time being an existing liability already accrued, or under which any liability may accrue ;

(*o*) " policy-holder " means the person who for the time being is the legal holder of a policy for securing a contract with an insurance company ;

(*p*) " prescribed " means prescribed by rules made under this Act ;

(*q*) "the Registrar," in relation to any insurance company, means the person performing the duty of the registration of companies under the Indian Companies Act, 1913, in the province in which the principal office of the insurance company is situated ; and VII of 1913.

(*r*) "workmen's compensation insurance business" means the insuring of employers against liability to pay compensation or damages to workmen.

CHAPTER II.—*General Provisions.*

Principal office.

3. (1) Every insurance company shall have a principal office in British India to which all communications and notices may be addressed.

(2) Any notice or process required to be served on an insurance company shall be sufficiently served if left at or sent by post to the principal office of the company.

Particulars to be filed.

4. Every insurance company shall, within one month from the commencement of this Act or before it begins to carry on business, whichever is later, furnish to the Governor-General in Council—

(*a*) a certified copy of the charter, statutes, deed of settlement or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof ;

(*b*) the full address of the principal office of the company in British India ;

(*c*) the names of the directors, principal officer and the auditor of the company in British India ;

(*d*) a statement of the classes of insurance business carried on or intended to be carried on by the company in British India ;

and, in the event of any alteration being made in any such instrument or in the address of the principal office or in the names of such persons or in such classes of business as aforesaid, the company shall forthwith furnish to the Governor-General in Council particulars of the alteration.

Name of Company.

5. An insurance company constituted in British India after the commencement of this Act shall not have a name identical with that of a company already in existence in British India, or so nearly resembling that name as to be likely to deceive.

Deed of settlement.

6. Every insurance company shall cause a sufficient number of copies of its deed of settlement or other instrument constituting the company to be printed, and shall, on the application of any member or policy-holder, furnish to him a copy of such deed or instrument on payment of a sum not exceeding one rupee.

List of members.

7. Every life insurance company constituted in British India, shall keep a list of the names and addresses of its members and shall, on the application of any member or policy-holder of the company, furnish to him a copy of such list on payment of a sum not exceeding six annas for every hundred words required to be copied.

Publication of capital.

8. Where any notice, advertisement or other official publication of an insurance company contains a statement of the amount of the authorised, issued or subscribed capital of the company, the publication shall also contain a statement of the amount of the capital which has been paid up.

Prohibition of loans to directors, etc.

9. An insurance company constituted in British India shall not, after the commencement of this Act, grant loans or temporary advances either on hypothecation of property, or on personal security, except loans on its life policies within their surrender values, to any director, managing agent

or officer of the company or, where the insurance company is a firm, to any partner therein or to any other company or firm in which any such director, managing agent, officer or partner holds the position of director, managing agent, officer or partner.

CHAPTER III.—*Deposits.*

Amount of deposit.

10. Subject to the provisions of this Chapter, every insurance company shall deposit and keep deposited with the Controller of Currency for and on behalf of the Governor-General in Council, in respect of any class or classes of insurance business carried on or intended to be carried on by it in British India, Government securities as defined in the Indian Securities Act, 1920, of the face value hereinafter specified in respect of that class or those classes, as the case may be, that is to say—

X of 1920.

(*a*) of the face value of two hundred thousand rupees in respect of life insurance business ;

(*b*) of the face value of one hundred thousand rupees in respect of each of the following classes, namely :—

(*i*) workmen's compensation insurance business,

(*ii*) accident insurance business,

(*iii*) fire insurance business, or

(*iv*) marine insurance business ; and

(*c*) of the face value of one hundred thousand rupees in respect of any other class or classes of insurance business :

Provided that an insurance company shall not be liable to deposit Government securities of a total face value exceeding two hundred thousand rupees in respect of any of the classes of business referred to in clauses (*b*) and (*c*).

Deposit when to be made.

11. Every deposit required by Section 10 shall be made, in the case of an insurance company which is carrying on insurance business at the commencement of this Act or which begins to carry on such business within six months of such commencement, before the expiry of that period and, in other cases, before the insurance company begins to carry on such business :

Provided that, in the case of a life insurance company constituted in British India, the Governor-General in Council may, on the application of the insurance company, permit the deposit of securities in respect of life insurance business to be made in five annual instalments, of which the first shall be a deposit of securities of the face value of one hundred thousand rupees made before the expiry of six months from the commencement of this Act or before the company begins to carry on life insurance business, according as the company has begun to carry on such business before or after such expiry, and the remainder shall be deposits of securities of the face value of ten, twenty, thirty and forty thousand rupees respectively made in each case before the close of the calendar year next following that in which the previous deposit fell due for payment.

Deposit by Indian mutual companies.

12. In the case of a mutual insurance company constituted in British India, the Governor-General in Council may, on the application of the company, exempt the company from making any deposit or permit the deposit of securities to be made at such rate or at such intervals as he thinks fit, and subject to such conditions as he may think desirable to impose with regard to payment of part of the premium income to trustees or, where the company carries on or intends to carry on life insurance business, to the frequency with which the company shall undergo actuarial investigation and to the principles on which such actuarial investigation shall be carried out.

Manner of dealing with deposits already made.

13. Securities already deposited by an insurance company with the Controller of Currency in compliance with the Indian Life Assurance Companies Act, 1912, shall be deemed to have been deposited under this Act in respect of the life insurance business of the company. VI of 1912.

Income from deposits.

14. The insurance company by which any deposit has been made under this Act shall be entitled to receive the income derived from the securities so deposited.

Protection of deposits from attachment, etc.

15. Securities deposited by an insurance company under this Act shall be deemed to be part of the assets of the company, but shall not be capable of being assigned or charged or be liable to attachment and, save as expressly provided by this Act, shall not be returnable to the insurance company or to any person on its behalf.

Refund of deposit.

16. Where an insurance company has ceased to carry on in British India any class of insurance business in respect of which securities have been deposited under this Act, and its liabilities in British India in respect of business of that class have been satisfied or are otherwise provided for, the Court may, on the application of the company, order the securities deposited in respect of business of that class to be returned to the company.

Substitution of deposit.

17. An insurance company may at any time substitute for any securities deposited under this Act any Government securities of the same face value.

CHAPTER IV.—*Accounts nd Returns.*

Separation of accounts and funds.

18. (1) Save as hereinafter provided in this Chapter, every insurance company shall keep a separate account of all receipts and payments in respect of each class of insurance business carried on by it, and the excess of receipts over payments in each class shall form a separate insurance fund with an appropriate name.

(2) For the purposes of this section, workmen's compensation insurance business transacted in British India shall be deemed to be a class of business separate from workmen's insurance business transacted elsewhere.

(3) Any business carried on by an insurance company as incidental to insurance business of a particular class may be treated as insurance business of that class for the purposes of this Act.

Joint accounts and funds.

19. Any insurance company which has, during the five years immediately preceding the commencement of this Act, kept a joint account and maintained a joint fund in respect of any two or more classes of insurance business, not being workmen's compensation insurance business transacted in British India or life insurance business, shall be entitled to continue to keep such account and maintain such fund, and any other insurance company may, on application made to the Governor-General in Council, be permitted to keep a joint account and maintain a joint fund in respect of any two or more of such classes of business as aforesaid.

Liability of funds.

20. A fund formed in respect of any particular class or classes of insurance business shall be as absolutely the security of the policy-holders of that class or those classes as though it belonged to an insurance company carrying on no other business, and shall not be liable for any contracts of the insurance company for which it would not have been liable had the business of the company been only that of insurance of that class or those classes, as the case may be, and shall not be applied, directly or indirectly, for any purposes other than those of the class or classes in respect of which the fund has been formed :

Provided that, in the case of an insurance company constituted before the commencement of this Act, nothing in this section shall be deemed to affect the liability of any fund to the prejudice of persons interested in contracts entered into by the company before such commencement.

Accounts and balance sheet.

21. (1) Every insurance company shall, at the expiration of each financial year, prepare—

(*a*) a revenue account for the year in the form or forms, applicable to the class or classes of insurance business carried on by the company, set forth in the First Schedule or in such form or forms as may be prescribed and are so applicable ;

(*b*) a profit and loss account in the form set forth in the Second Schedule, except where the company carries on insurance business of one class only and no other business ;

(*c*) a balance-sheet in the form set forth in the Third Schedule ; and

(*d*) a statement of the share capital in such form as may be prescribed.

(2) The accounts, balance-sheet and statement shall be audited in the prescribed manner by an auditor who shall possess such qualifications as may be prescribed or shall be approved by the Governor-General in Council in that behalf.

Particulars to be stated in every revenue account.

22. (1) The amounts to be shown in every revenue account shall be the net amounts after deduction of all amounts paid and received in respect of re-insurances of the risks of the insurance company, and may be stated to the nearest rupee.

(2) Where credit has been taken in the balance-sheet for any sum deducted from the expenses of management relating to any class of business, the sum so deducted shall be shown separately in the revenue account for that class of business.

(3) Every revenue account shall state how much of the premium income of the year relates to business of the insurance company transacted in India.

Liability for outstanding claims and reserve for unexpired risks.

23. (1) To every revenue account in which the estimated liability in respect of outstanding claims is required to be stated there shall be appended a separate statement in such form as may be prescribed showing particulars of the outstanding claims and the liability estimated in respect thereof.

(2) Every revenue account in which the reserve for unexpired risks is required to be stated shall, if the reserve is less than forty per centum of the premium income of the year, show how such reserve has been determined.

Particulars regarding assets to be stated in balance-sheet.

24. (1) Every balance-sheet shall state how the values placed on each of the investments set forth therein have been determined, and the value of any such investment shall not be in excess of the cost price or the market value, whichever is higher.

(2) A certificate shall be appended to the balance-sheet to the effect that the assets are in the aggregate fully of the value stated therein, less any investment depreciation reserve taken into account.

(3) If the insurance company holds any shares to which a liability attaches in respect of any amounts unpaid thereon, the full amount of the liability shall be stated separately in the balance-sheet.

(4) Where debentures have been issued or loans raised which are charged on any of the assets of the insurance company, full particulars of such charge shall be appended to the balance-sheet.

(5) Where the balance-sheet includes amongst the assets any sums representing expenses of organisation or extension, or the purchase of business or goodwill, or bad debts, or the adverse balance of the profit and loss or of any revenue account, a statement of such sums in the form prescribed shall be appended to the balance-sheet.

(6) The balance sheet shall have a statement appended to it showing the assets held by the insurance company in British India.

(7) Where any part of the assets of the insurance company is specifically deposited in any country outside British India under the law inforce in that country as security to the holders of policies issued in that country, the country in which the policies were issued and the amount deposited therein in respect of each class of insurance business shall be stated in the balance-sheet.

Actuarial report and abstract.

25. (1) Every life insurance company shall once in every five years, or at such shorter intervals as may be required by the instrument constituting the company or by its regulations or by-laws, cause an investigation to be made into its financial condition by an actuary, and shall cause an abstract of the report of such actuary to be made in the form set forth in the Fourth Schedule.

(2) The provisions of sub-section (1) regarding the making of an abstract shall also apply whenever at any other time an investigation into the financial condition of a life insurance company is made with a view to the distribution of profits or to the ascertainment of its exact financial condition.

(3) There shall be appended to every such abstract as aforesaid a certificate to the effect that full and accurate particulars of every life policy under which there is a liability, either actual or contingent have been furnished to the actuary for the purpose of the investigation.

(4) There shall be appended to every such abstract as aforesaid particulars of the life policies in force on the date as at which the investigation is made, in the form set forth in the Fifth Schedule: Provided that, if the investigation is made annually by any company, such particulars need not be appended every year but at least once in every five years.

Audit at date of valuation.

26. Where an investigation into the financial condition of a life insurance company is made as at a date other than the expiration of the company's financial year, the accounts for the period since the expiration of the last financial year and the balance-sheet as at the date at which the investigation is made shall be prepared and audited in the manner provided by or under this Act.

Statements of new and discontinued policies.

27. Every life insurance company shall, at the expiration of each financial year, prepare statements giving such particulars regarding the business transacted during that year as are referred to in the form set forth in the Seventh Schedule or as may be prescribed.

Submission of returns.

28. Every account, balance-sheet, statement, and actuarial abstract required by any of the preceding provisions of this Chapter shall be printed, and four copies thereof, one of which shall be signed by the chairman and two directors of the company and by the principal officer of the company and, if the company has a managing director, by the managing director, or, in the case of a firm, by two partners therein, shall be furnished to the Governor-General in Council, in the case of accounts, balance-sheets and statements within six months, and in the case of actuarial abstracts within one year, after the close of the period to which the account, balance-sheet, statement or abstract relates:

Provided that the Governor-General in Council may in any case extend the period allowed by this section by such further period as he thinks fit.

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Returns from companies carrying on business in the United Kingdom.

29. An insurance company constituted outside British India to which the Assurance Companies Act, 1909, applies, may, in lieu of the returns required by Section 28, furnish the returns deposited with the Board of Trade by the company in compliance with that Act, provided that the following statements, signed by the principal officer of the company in British India, are also furnished along with those returns, namely :—

(*a*) a statement showing, for each class of insurance business, how much of the premium income of the year to which the returns relate is in respect of business transacted by the company in India ;

(*b*) a statement showing the assets held by the company in British India ;

(*c*) where the company carries on life insurance business, a statement showing the life policies issued in India by the company during the year ; and

(*d*) where the company carries on workmen's compensation insurance business, a revenue account in respect of such business transacted by the company in British India.

Defective returns.

30. (1) If any return furnished to the Governor-General in Council appears to him to be inaccurate or defective in any respect, he may call upon the company to furnish a further statement correcting any such inaccuracies or supplying any such deficiencies.

(2) Where the Governor-General in Council has called upon an insurance company to furnish a further statement as aforesaid, he shall specify the time within which such further statement shall be furnished, and may also stipulate that such further statement shall be certified by the auditor or by the actuary, as the case may be.

(3) Where any inaccuracy or deficiency disclosed by a further statement so furnished entails an alteration of the original returns, it shall be the duty of the insurance company to amend the returns accordingly.

Appointment of inspector.

31. (1) Where an insurance company has failed to furnish any return hereinbefore referred to, or to furnish a further statement when required to do so, within the specified time, or where the Governor-General in Council is of opinion that any such return or further statement discloses an unsatisfactory state of affairs or that such further statement is insufficient, he may appoint an inspector to examine into the affairs of the company and to report thereon in such manner as he may direct.

9 Edw. 7, c. 49.

(2) Where an inspector has been appointed under sub-section (1), the provisions of Section 140 of the Indian Companies Act, 1913, shall apply for the purposes of any examination made by him.

(3) All expenses of and incidental to the inspection shall be paid by the insurance company and, in the event of the winding up of the insurance company before such expenses have been paid, shall be payable out of the assets of the company in priority to all other claims at the date of the winding up.

Submission of the affairs of a company to an actuary for examination.

32. If the Governor-General in Council, on considering any return or further statement furnished by a life insurance company, is of opinion that the company is in such a position that there is reason to doubt its ability to fulfil its contracts, he may require it to submit its affairs to the examination of an actuary with a view to ascertaining the exact position and to formulating plans for dealing with it, and shall specify the time within which the actuary's report shall be furnished to him by the company.

33. A printed copy of the accounts, balance-sheet, abstract, or statement, last furnished to the Governor-General in Council in accordance with the provisions of Section 28, shall, on the application of any member or policy-holder of the company, be forwarded to him by the company by post or otherwise.

Right of shareholders and policy-holders to copies of accounts, etc.

34. Every insurance company shall furnish to the Governor-General in Council a certified copy of every report on the affairs of the company submitted to the members or policy-holders of the company, forthwith after its submission to the members or policy-holders.

Filing of reports.

35. Every insurance company shall furnish to the Governor-General in Council an abstract of the proceedings of every general meeting of the company. Every such abstract shall be despatched within fifteen days after the holding of the meeting to which it relates.

Filing of abstract of proceedings of meeting.

36. Every return, furnished to the Governor-General in Council, or a certified copy thereof, shall be kept by the Registrar, and any such returns or copies shall be open to inspection, and any person may procure a copy of any such return or of any part thereof on payment of a fee of six annas for every hundred words or fractional part thereof required to be copied.

Custody and inspection of documents.

37. (1) Every return furnished to the Governor-General in Council which has been certified by the Registrar to be a return so furnished shall be deemed to be a return so furnished.

Evidence of documents.

(2) Every document purporting to be certified by the Registrar to be a copy of a return so furnished shall be deemed to be a copy of that return, and shall be received in evidence as if it were the original return, unless some variation between it and the original return be proved.

38. The Governor-General in Council shall from time to time cause to be published, in such manner as he may direct, a summary of the accounts, balance-sheets, statements, abstracts, and other returns under this Act, or purporting to be under this Act, which have been furnished to him, and may append to such summary any note of the Governor-General in Council thereon and any correspondence in relation thereto.

Summary of returns to be published.

39. No insurance company shall publish in British India any of its returns in forms other than those in which they have been furnished to the Governor-General in Council.

Returns to be published n statutory forms.

CHAPTER V.—*Amalgamation.*

40. No life insurance company constituted in British India shall amalgamate with another insurance company, or transfer its life insurance business or any portion thereof to another insurance company, unless the amalgamation or transfer is sanctioned by the Court.

Amalgamation or transfer.

41. (1) Before an application is made to the Court to sanction the amalgamation of two or more insurance companies of which any one is a life insurance company constituted in British India, or the transfer of any life insurance business of one such insurance company to another insurance company, notice of the intention to make the application, together with a statement of the nature of the amalgamation or transfer, as the case may be, and of the reason therefor, shall, at least two months before the application is made, be sent to the Governor-General in Council and to every holder of a life policy of each company who is resident in British India, and the following documents shall be furnished to the Governor-General in Council, and shall during the two months aforesaid be kept open for the inspection of the members and policy-holders at the principal and branch offices or agencies of the insurance companies concerned, namely :—

Statements required before amalgamation.

(*a*) a draft of the agreement or deed under which it is proposed to effect the amalgamation or transfer ;

certified copies of statements of the assets and liabilities of the insurance companies concerned in such amalgamation or transfer ; and

(*c*) certified copies of the actuarial or other reports, including a report by an independent actuary, on the proposed amalgamation or transfer.

(2) A notice required by sub-section (1) to be sent to a policy-holder may be addressed and sent to the person to whom the notices respecting the policy are usually sent, and any notice so addressed and sent shall be deemed to be notice to the holder of the policy.

Sanction of amalgamation by Court.

42. When an application is made to the Court to sanction the amalgamation of two or more insurance companies of which any one is a life insurance company constituted in British India, or the transfer of any life insurance business of one such insurance company to another insurance company, the Court shall cause a statement of the nature and terms of the amalgamation or transfer, as the case may be, to be published in such manner and for such period as it may direct and, after hearing the directors or other persons whom it considers entitled to be heard, may sanction the arrangement if it is satisfied that no sufficient objection to the arrangement has been established.

Statements required after amalgamation.

43. Where an amalgamation takes place between any insurance companies or where any insurance business of one insurance company is transferred to another, the insurance company formed by the amalgamation or the purchasing company, as the case may be, shall, within one month from the date of the completion of the amalgamation or transfer, furnish to the Governor-General in Council—

(*a*) a certified copy of the agreement or deed under which the amalgamation or transfer has been effected ; and

(*b*) a declaration under the hand of the chairman and the principal officer of each company that to the best of their belief every payment made or to be made to any person whatsoever on account of the amalgamation or transfer is therein fully set forth, and that no other payments beyond those set forth have been made or are to be made either in money, policies, bonds, valuable securities or other property by or with the knowledge of any parties to the amalgamation or transfer.

CHAPTER VI.—*Penalties and Procedure.*

Penalty for non-compliance with Act.

44. Any insurance company which makes default in complying with any of the requirements of this Act, and every director, manager or secretary, or other officer or agent of, or partner in, the company who is knowingly a party to the default, shall be punishable with fine which may extend to one thousand rupees, and, in the case of a continuing default, with an additional fine which may extend to five hundred rupees for every day during which the default continues.

Penalty for falsifying documents.

45. If any account, balance-sheet, statement, abstract or other document required by this Act is false in any particular to the knowledge of any person who signs it, such person shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

Cognizance of offences.

46. No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence under this Act.

47. The Governor-General in Council may publish, in the *Gazette of India* and in such other manner as he may direct, particulars of default made by an insurance company in complying with any of the requirements of this Act, provided that the default is continuing for a period of three months after the date on which the attention of the insurance company has been drawn to the fact, and, in the case of an insurance company constituted in British India, may at the same time notify that this publication is a ground on which any member or policy-holder of the company may apply to the Court at the expense of the company for a winding up order.

Publication of default.

CHAPTER VII.—*Winding up.*

48. The Court may order the winding up, in accordance with the Indian Companies Act, 1913, of an insurance company constituted in British India, and the provisions of that Act shall apply accordingly, subject, however, to the modification that the company may be ordered to be wound up— VII of 1923.

Special provisions as to winding up of insurance companies.

(*a*) on the petition of any member or policy-holder at the expense of the company where a notification has been made to this effect by the Governor-General in Council under Section 47 ; or

(*b*) on the petition of ten or more policy-holders presented with the leave of the Court, which leave shall not be granted until a *prima facie* case has been established to the satisfaction of the Court, and until security for costs for such amount as the Court may think reasonable has been given ; or

(*c*) on application made on behalf of the Governor-General in Council specifying grounds on which it appears to him that the company is insolvent.

49. (1) Where the insurance business or any part of the insurance business of an insurance company has been transferred to another insurance company under an arrangement in pursuance of which the first-mentioned company (in this section referred to as the subsidiary company) or the creditors thereof has or have claims against the company to which such transfer was made (in this section referred to as the principal company), then, if the principal company is being wound up by or under the supervision of the Court, the Court shall (subject as hereinafter mentioned) order the subsidiary company to be wound up in conjunction with the principal company, and may by the same or any subsequent order appoint the same person to be liquidator for the two companies, and make provision for such other matters as may seem to the Court necessary, with a view to the companies being wound up as if they were one company.

Winding up of subsidiary companies.

(2) The commencement of the winding up of the principal company shall, save as otherwise ordered by the Court, be the commencement of the winding up of the subsidiary company.

(3) In adjusting the rights and liabilities of the members of the several companies between themselves, the Court shall have regard to the constitution of the companies, and to the arrangements entered into between the companies, in the same manner as the Court has regard to the rights and liabilities of different classes of contributories in the case of the winding up of a single company, or as near thereto as circumstances admit.

(4) Where any company alleged to be subsidiary is not in process of being wound up at the same time as the principal company to which it is alleged to be subsidiary, the Court shall not direct the subsidiary company to be wound up unless, after hearing all objections (if any) that may be urged by or on behalf of the company against its being wound up, the Court is of opinion that the company is subsidiary to the principal company, and that the winding up of the company in conjunction with the principal company is just and equitable.

(5) An application may be made in relation to the winding up of any subsidiary company in conjunction with a principal company by any creditor of, or person interested in, the principal or subsidiary company.

(6) Where a company stands in the relation of a principal company to one insurance company, and in the relation of a subsidiary company to some other insurance company, or where there are several insurance companies standing in the relation of subsidiary companies to one principal company, the Court may deal with any number of such companies together or in separate groups, as it thinks most expedient, upon the principles laid down in this section.

Return of deposits.

50. When an insurance company is being wound up, the liquidator or liquidators shall apply to the Court for an order for the return of the securities deposited by the company under this Act, and the Court shall, on such application, order the return of the deposit subject to such terms and conditions as it shall direct.

Valuation of policies in case of winding up.

51. Where an insurance company is being wound up, the value of a policy of any class or of a liability under such a policy requiring to be valued in such winding up shall be estimated in the manner, applicable to policies and liabilities of that class, provided by the Sixth Schedule.

Rules of valuation.

VII of 1913.

52. The rules in the Sixth Schedule shall be of the same force, and may be repealed, altered, or amended, as if they were rules made in pursuance of Section 246 of the Indian Companies Act, 1913, and rules may be made under that section for the purpose of carrying into effect the provisions of this Act with respect to the winding up of insurance companies.

Notice of policy values.

53. Where an insurance company is being wound up, the liquidator, in the case of all persons appearing by the books of the company to be entitled to or interested in policies granted by the company, shall ascertain the value of the liability of the company to each such person, and shall give notice of such value to those persons in such manner as the Court may direct, and any person to whom notice is so given shall be bound by the value so ascertained unless he gives notice of his intention to dispute such value in such manner and within such time as may be specified by a rule or order of the Court.

Power of Court to reduce contracts of life insurance companies.

54. The Court, in the case of a life insurance company which has been proved to be insolvent, may, if it thinfis fit, in place of making a winding up order, reduce the amount of the contracts of the life insurance company upon such terms and subject to such conditions as it thinks just.

CHAPTER VIII.—*Supplement.*

Rules.

55. (1) The Governor-General in Council may make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

(*a*) the qualifications to be possessed by actuaries and auditors under this Act ;

(*b*) the manner in which the accounts of insurance companies shall be audited and the particulars to be stated in the reports of auditors ;

(*c*) the form of revenue account, in respect of any class of insurance business for which no form has been set forth in the First Schedule ;

(*d*) the form of any statement required under clause (*d*) of sub-section (1) of Section 21, sub-section (1) and (2) of Section 23, sub-section (5) of Section 24, or Section 27 ;

(*e*) the additional statements of business to be prepared by every dividing society and the manner in which any such statement shall be furnished to the Governor-General in Council ;

(*f*) the extent, if any, to which an insurance company may treat as an asset any premiums or instalments of premiums which have not actually become due for payment or in respect of which the periods during which payment may be made without penalty have expired before the close of the year of account, and the manner in which such items shall be shown in the accounts and balance-sheet;

(*g*) the determination of the business of an insurance companywhich shall be deemed to be business transacted in India or British India;

(*h*) the language and currency in which returns required bythis Act shall be furnished and the certification of translations of any such returns; and

(*i*) any other matter which is to be or may be prescribed.

(3) Rules so made shall be published in the *Gazette of India* and, on such publication, shall have effect as if enacted in this Act.

Alteration of forms.

56. The Governor-General in Council may, on the application or with the consent of an insurance company, alter any form contained in the Schedules as respects that company, for the purpose of adapting it to the circumstances of that company.

Power to exempt companies.

57. The Governor-General in Council may, by notification in the *Gazette of India*, and subject to such restrictions and conditions as he may specify in the notification, exempt any insurance company from all or any of the provisions of this Act or of any rules made thereunder.

Exemption from certain provisions of the Indian Companies Act.

58. Where an insurance company which is registered under the Indian Companies Act, 1913, or is an existing company as defined in that Act, in any year furnishes its accounts and balance-sheet in accordance with the provisions of Section 28, the company may, at the same time, send to the Registrar a copy of such accounts and balance-sheet; and, where such copy is so sent, it shall not benecessary forthe company to file a balance-sheet with the Registrar as required by sub-section (1) of Section 134 of that Act, and the copy of the accounts and balance-sheet so sent shall be dealt with in all respects as if it were a balance-sheet filled in accordance with that section. VII of 1913.

Amendment of Act V of 1912.

59. For Section 3 of the Provident Insurance Societies Act, 1912, the following section shall be substituted, namely:— V of 1912

Application of Act.

"3. Nothing in this Act shall apply to any Provident Insurance Society which pays or undertakes to pay on any policy an annuity exceeding fifty rupees or a gross sum exceeding five hundred rupees, or which receives or undertakes to receive by way of premium or contribution under any insurance policy any sum exceeding two hundred and fifty rupees where the said premiums or contributions are payable for one year or a limited number of years, or exceeding twenty-five rupees in any one year where the premiums or contributions are unlimited in number and terminable on death or the occurrence of an uncertain event:

Provided that, in determining whether this Act applies to any Provident Insurance Society, contracts entered into by the Society before the commencement of the Indian Insurance Companies Act, 1925, shall not be taken into consideration. of 1925.

Explanation.—For the purposes of this section in its application to life insurance business, "policy" includes a series of policies on any one life."

Repeals.

60. The Indian Life Assurance Companies Act, 1912, is hereby repealed. of 1912.

THE FIRST SCHEDULE.

(*See Section* 21.)

(A) Form Applicable to Life Insurance Business.

Revenue account of the.....for the year ending.....in respect of life insurance business.

	Rs.		Rs.
Amount of life insurance fund at the beginning of the year		Claims under life insurance policies admitted or intimated :—	
Premiums		Sums assured. / Bonus additions.	
Interests dividends and rents ..		By death	
Less income-tax		By survivance ..	
		Surrenders, including surrenders of bonus additions	
		Annuities	
		Commission	
Other receipts (accounts to be specified)		Expenses of management	
		Other payments (accounts to be specified)..	
		Amount of life insurance fund at the end of the year, as per Third Schedule ..	
Rs.		Rs.	

NOTE.—Companies having separate funds for annuities or for different branches of life insurance business to return the particulars of their annuity business or of their business in each branch separately.

(B). Form Applicable to Workmen's Compensation Insurance Business.

Revenue Account of the.....for the year ending.....in respect of workmen's compensation insurance business transacted in British India.

	Rs.		Rs.
Amount of workmen's compensation insurance fund at the beginning of the year :—		Claims under policies :—	
		Lump payments	
		Half-monthly payments ..	
Total estimated liability in respect of outstanding claims ..			
Reserve for unexpired risks ..		Commission	
Additional reserve (if any) ..		Expenses of management	
Premiums		Other payments (accounts to be specified).	
Interest, dividends and rents ..		Amount of workmen's compensation insurance fund at the end of the year, as per Third Schedule :—	
Less income-tax..			
		Total estimated liability in respect of outstanding claims ..	
Other receipts (accounts to be specified)		Reserve for unexpired risks ..	
		Additional reserve (if any) ..	
Rs.		Rs.	

(C) Form Applicable to Accident Insurance Business.

Revenue Account of the.....for the year ending.....in respect of accident insurance business.

	Rs.		Rs.
Amount of accident insurance fund at the beginning of the year :—		Claims under policies :—	
Total estimated liability in respect of outstanding claims..		Sums insured	
Reserve for unexpired risks..		Periodical allowances	
Additional reserve (if any) ..		Commission	
		Expenses of management	
		Other payments (accounts to be specified).	
Premiums		Amount of accident insurance fund at the end of the year, as per Third Schedule :—	
Interest, dividends and rents ..		Total estimated liability in respect of outstanding claims ..	
Less income-tax		Reserve for unexpired risks ..	
		Additional reserve (if any) ..	
Other receipts (accounts to be specified).			
Rs.		Rs.	

(D) Form Applicable to Fire Insurance Business.

Revenue Account of the.....for the year ending.....in respect of fire insurance business.

	Rs.		Rs.
Amount of fire insurance fund at the beginning of the year :—		Claims under policies	
Liability in respect of outstanding claims		Contributions to fire brigades	
Reserve for unexpired risks.		Commission	
Additional reserve (if any) ...		Expenses of management	
Premiums		Other payments (accounts to be specified).	
		Amount of fire insurance fund at the end of the year, as per Third Schedule :—	
Interest, dividends and rents ..		Liability in respect of outstanding claims	
Less income-tax		Reserve for unexpired risks ..	
Other receipts (accounts to be specified).		Additional reserve (if any) ..	
Rs.		Rs.	

(E) FORM APPLICALBE TO MARINE INSURANCE BUSINESS.

Revenue Account of the... ... ...for the year ending... ... ...in respect of marine insurance business.

		Rs.			Rs.
Amount of marine insurance fund at the beginning of the year :—			Claims under policies		
Liability in respect of outstanding claims			Commission		
Reserve for unexpired risks.			Expenses of management		
Additional reserve (if any).			Other payments (accounts to be specified).		
Premiums (after deduction of returns, brokerage and discount).			Amount of marine insurance fund at the end of the year, as per Third Schedule :—		
Interest, dividends and rents ..			Liability in respect of outstanding claims		
Less income-tax			Reserve for unexpired risks ..		
Other receipts (accounts to be specified).			Additional reserve (if any)..		
	Rs.			Rs.	

THE SECOND SCHEDULE.

(*See Section* 21.)

Profit and Loss Account of the.....for the year ending.....

		Rs.			Rs.
Balance of last year's account ..			Dividends and bonuses to shareholders, payable on.....19....for the year ending.....19		
Interest, dividends and rents not carried to other accounts ..			Expenses not charged to other accounts ..		
Less income-tax			Loss sustained (accounts to be specified) ..		
Profit realised (accounts to be specified)..			Other payments (accounts to be specified).		
Other receipts (accounts to be specified)..			Balance as per Third Schedule		
	Rs.			Rs.	

THE THIRD SCHEDULE.

(*See Section* 21.)

Balance Sheet of the.....*on the*.....19..

LIABILITIES.	Rs.	ASSETS.	Rs.
Shareholders' capital paid up (if any) ..		Investments :—	
Life insurance funds*		Deposit with the Controller of Currency (securities to be specified)	
Workmen's compensation insurance fund (Indian business)		Indian Government securities	
Workmen's compensation insurance fund (non-Indian business)		Indian Provincial Government securities.	
Accident insurance fund		British Government securities	
Fire insurance fund		Colonial Government securities	
Marine insurance fund		Other Government securities (to be specified)	
Other insurance funds (if any) to be specified		Indian Municipal and Port Trust securities	
General reserve fund (if any)		Preference and guaranteed stocks and shares (to be specified.)..	
Profit and loss account		Debentures and debenture stock (to be specified).	
Investment depreciation reserve ..		Other securities (to be specified).. ..	
Outstanding claims under life insurance policies† :—		House and landed property :—	
Admitted but not paid ..		Mortgages	
Intimated but not admitted		Loans to municipal and other public bodies	
Annuities due and unpaid†		Loans on stocks and shares	
Other sums owing by the company† (to be stated separately under each class of business).		Loans on company's policies within their surrender values	
		Loans on personal security	
		Agent's balances	
		Outstanding premiums†	
		Outstanding interest, dividends and rents†.	
		Interest accrued but not payable† ..	
		Bills receivable	
		Cash :—	
		On deposit	
		In hand and on current account ..	
		Other assets (to be specified)	
Rs.		Rs.	

* Life companies having separate funds for annuities or for different branches of life insurance business to show amounts thereof separately.

† These items are or have been included in the corresponding items in the First Schedule.

NOTE 1.—A balance-sheet in the above form shall be rendered in respect of each separate fund for which separate investments are made.

NOTE 2.—Particulars must be given of all loans, except loans on policies within their surrender values, granted to any director or officer of the company, or to any other company in which any of the said directors or officers may hold the position either of director or of officer.

THE FOURTH SCHEDULE.

(*See Section* 25.)

STATEMENT respecting the VALUATION of the LIABILITIES under LIFE POLICIES of the.....
.....,to be made and signed by the ACTUARY.

(The answers should be numbered to accord with the numbers of the corresponding questions.)

1. The date up to which the valuation is made.

2. The general principles adopted in the valuation, and whether these principles were determined by the instrument constituting the company or by its regulations or by-laws or how otherwise, and whether these principles have the approval of the Actuary.

3. The form in which the particulars of each policy under which there is a liability, either actual or contingent, have been furnished to the Actuary, and whether all the information and explanations have been furnished as required by him.

4. The method followed in the valuation of particular classes of assurances and annuities including a statement of the method by which the ages at entry and the ages at valuation have been arrived at.

5. The table or tables of mortality used in the valuation. The rate at each age of the mortality assumed and of the annuity value used in the valuation in cases where the tables employed are not published.

6. Whether the Actuary has made any investigation into the mortality experience of the company up to any date subsequent to the close of the previous valuation period, and whether the mortality experienced has been, on the whole, less or greater than that assumed in the valuation.

7. The rate or rates of interest assumed in the valuation.

8. The average rate of interest yielded by the assets, whether invested or uninvested, in each year during the period since the last investigation, after deduction of income-tax, calculated according to the following two formulae :—

$$R=\frac{2I}{E+F-I}\text{ ; and }S=\frac{2J}{G+H-J}$$

where R = average rate of interest, after deduction of income-tax, yielded by the total assets,

S = average rate of interest, after deduction of income-tax, yielded by the assets constituting the life insurance fund,

I = amount of interest, dividends and rents, less income-tax, shown in the profit and loss and revenue accounts,

J = amount of interest, dividends and rents, less income-tax, shown in the life insurance revenue account,

E = amount of capital and insurance funds at the beginning of the year,

F = amount of capital and insurance funds at the end of the year,

G = amount of life insurance fund at the beginning of the year, and

H = amount of life insurance fund at the end of the year.

9. The method by which the net premiums have been arrived at, together with a statement of the manner in which extra premiums have been dealt with.

10. The actual proportion of the annual premium income reserved as a provision for future expenses and profits, separately specified in respect of assurances with immediate profits, with deferred profits, and without profits and also in respect of all assurances. If the proportion be not uniform for all policies of the same class, state how the provision for future expenses and profits has been made.

11. The proportion of the premium income spent in payment of commission and other expenses in each year during the period since the last investigation, to be specified separately for new business and renewal business, on the assumption that the proportion of new premiums expended is (*a*) five times and (*b*) seven times that of renewals. For the purposes of this estimate, single premiums shall be excluded and a sum equal to five per cent. of their amount deducted from expenses for the cost of their introduction, and new premiums shall be taken to mean the premiums other than single premiums receivable in the twelve months after issue of the policies effected in the year of account.

12. The adjustments used in the valuation to allow for unequal incidence of the premium income, for premiums payable more often than once a year, for early payment of claims and for future expenses and profits in respect of limited payment and paid-up policies.

13. Whether all negative values have been eliminated from the valuation, and whether steps have been taken to prevent the policy reserve values being not less than the minimum surrender values.

14. Whether the basis of valuation differs in any respect, and, if so, in what respect, from the valuation made on the last occasion.

15. The consolidated revenue account since the last valuation, or, if no previous valuation has been made, since the commencement of the business. (This return to be made in the form annexed. No return under this heading will be required where a statement under this Schedule is deposited annually.)

16. The liabilities under life policies at the date of the valuation showing the number of policies, the amount assured, and the amount of premiums payable annually under each class of policy, both with and without participation in profits; and also the net liabilities and assets of the company, with the amount of surplus or deficiency. (These returns to be made in the forms annexed.)

17. Specimen policy reserve values held or required to be held according to the methods adopted in the valuation as well as specimen minimum surrender values in respect of whole-life assurance policies for Rs. 1,000 with premiums payable throughout life effected at the respective ages of 20, 30, 40 and 50, and immediately on payment of the 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 15th and 20th annual premium; with similar specimen policy reserve values and specimen minimum surrender values in respect of whole-life assurance policies subject to premiums payable for 20 years and of endowment assurance policies maturing at age 55. (This return to be made in the form annexed.)

18. Where the valuation discloses a surplus and the surplus is distributed among the policy-holders and shareholders—

(1) the principles upon which such distribution is made, and whether these principles were determined by the instrument constituting the company or by its regulations or by-laws or how otherwise, and the number of years' premium to be paid before a bonus (*a*) is allotted, and (*b*) vests;

(2) the amount of surplus allocated—

(a) to the policy-holders with immediate participation, and the number and amount of the policies which participate ;

(b) to the policy-holders with deferred participation, and the number and amount of the policies which participate ;

(c) to the shareholders ;

(d) to reserve funds, or other accounts ;

(3) specimens of the bonuses to be allotted to whole-life assurance policies for Rs. 1,000 which have been in force for five years, ten years, and upwards at intervals of five years respectively. If the bonuses vary for different ages at entry, specimens are to be given for ages 20, 30, 40 and 50, respectively. Similar specimen bonuses in respect of endowment assurance policies, according to age at entry, original term of policy and duration, to be stated.

19. Where the valuation discloses a deficiency which is not covered by the paid-up capital—the steps, if any, which can be taken by the company to meet the deficiency or whether the company should be wound up.

NOTE.—Separate statements to be furnished throughout in respect of each branch of life insurance business for which a separate fund is maintained, the basis of the division being stated. Where annuity certain, sinking fund or bond investment business is carried on, a separate statement signed by the actuary shall be furnished, showing the total number of policies valued, the total sums assured, and the total office yearly premiums, and also showing the total net liability in respect of such business and the basis on which such liability is calculated.

[FORM referred to in question No. 15 in Fourth Schedule.]

CONSOLIDATED REVENUE ACCOUNT of the.....for.....years

commencing.....and ending.....

	Rs.		Rs.
Amount of life insurance fund at the beginning of the period		Claims under life insurance policies admitted or intimated :—	
Premiums		By death	
Interest, dividends and rents ..		By maturity	
Less income-tax.. ..		Surrenders	
		Annuities	
Other receipts (accounts to be specified).		Commission	
		Expenses of management	
		Other payments (accounts to be specified).	
		Amount of life insurance fund at the end of the period, as per Third Schedule ..	
Rs.		Rs.	

NOTE.—If any sum has been deducted from the expenses of management account and taken credit for in the balance-sheet as an asset, the sum so deducted to be separately shown in the above statement.

[FORM referred to in question No. 16 in Fourth Schedule.]

SUMMARY and VALUATION of the POLICIES of the.....as at.....19.....

Description of transactions.	PARTICULARS OF THE POLICIES FOR VALUATION.					VALUATION. Value by the....Table, interest....per cent.				
	Number of policies.	Sums assured.	Bonus additions.	Office yearly premiums.	Net yearly premiums.	Sums assured.	Bonus additions.	Office yearly premiums.	Net yearly premiums.	Net liability.
	1	2	3	4	5	6	7	8	9	10
ASSURANCES.										
I.—With immediate participation in profits.										
For whole term of life ..										
Other classes (to be specified).										
II.—With deferred participation in profits.										
For whole term of life ..										
Other classes (to be specified.										
Total assurances with profits.										
III.—Without participation in profits.										
For whole term of life ..										
Other classes (to be specified).										
Total assurances without profits.										
Total assurances ..										
Deduct re-assurances (to be specified according to class in a separate statement) ..										
Net assurances										
Adjustments, if any (to be separately specified).										
ANNUITIES ON LIVES.		Amount. per annum.								
Immediate										
Other classes (to be specified).										
Total of the results ..										

NOTE 1.—Items in this summary to be stated to the nearest rupee.

NOTE 2.—Separate returns and valuation results shall be furnished in respect of classes of policies valued by different tables of mortality, or at different rates of interest.

NOTE. 3.—In cases also where separate valuations of any portion of the business are required under local laws in places outside British India, a summary statement shall be furnished in respect of the business so valued in each such place showing the total number of policies, the total sums assured and bonuses, the total office yearly premiums, and the total net liability on the bases as to mortality and interest adopted in each such place, with a statement as to such bases respectively.

[FORM referred to in question No. 16 in Fourth Schedule.]

VALUATION BALANCE SHEET of.....as at.....19....

Dr.	Rs.	*Cr.*	Rs.
To net liability under life assurance and annuity transactions (as per summary statement)		By life insurance funds (as per balance-sheet under Third Schedule)	
To surplus, if any		By deficiency, if any	

NOTE 1.—Where the balance-sheet includes amongst the assets thereof any sums representing expenses of organisation or extension, or the purchase of business or goodwill, or bad debts, or the adverse balance of any revenue or profit and loss account, and the amount of the assets exclusive of such sums and after deducting debts due by the company other than debentures and loans is less than the amount of the life insurance fund or, as the case may be, of the several insurance funds as shown in that balance-sheet, the amount of the life insurance fund shown in the valuation balance-sheet shall be reduced by the amount of thedeficiency, or, as the case may be, by a sumbearingsuch proportion to that deficiency as the amount of the life insurance fund shown in the first-mentioned balance-sheet bears to the aggregate amount of all the insurance funds so shown.

NOTE 2.—Where debentures have been issued or loans raised which are charged on any of the assets of the company in which the life insurance fund is invested there shall be inserted in the valuation balance-sheet a note giving the particulars of the charge and stating that the result shown by the valuation is subject to the liability under the charge.

[FORM referred to in question No. 17 in Fourth Schedule.]

SPECIMEN POLICY RESERVE VALUES AND MINIMUM SURRENDER VALUES UNDER A.....POLICY FOR Rs. 1,000.

Number of premiums paid.	AGE AT ENTRY 20.		AGE AT ENTRY 30.		AGE AT ENTRY 40.		AGE AT ENTRY 50.	
	Reserve value.	Minimum surrender value.	Reserve value.	Minimum surrender value.	Reserve value.	Minimum surrender value.	Reserve value.	Minimum surrender value.
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
15								
20								

NOTE.—Items in this form to be stated to the nearest rupee.

THE FIFTH SCHEDULE.

[*See Section* 25 (4).]

Particulars of Life Policies of the.....on the.....19...., to be signed by the Actuary.

(The answers should be numbered to accord with the numbers of the corresponding questions. Statements of re-assurances corresponding to the statements in respect of assurances are to be given throughout.) Separate statements are to be furnished in the replies to all the headings under this Schedule in respect of each section of the business for which a separate Summary and Valuation is given in Fourth Schedule. Answers to questions 2 to 9 to be stated to the nearest rupee.

1. The published table or tables of premiums for assurances for the whole term of life and for endowment assurances which are in use at the date above mentioned.

2. The total amount assured on lives for the whole term of life which are in existence at the date above mentioned, distinguishing the portions assured with immediate profits, with deferred profits, and without profits, stating separately the total reversionary bonuses and specifying the sums assured for each year of life from the youngest to the oldest ages, the basis of division as to immediate and deferred profits being stated.

3. The amount of premiums receivable annually for each year of life, after deducting the abatements made by the application of bonuses in respect of the respective assurances mentioned under Heading No. 2, distinguishing ordinary from extra premiums. A separate statement is to be given of premiums payable for a limited number of years, classified according to the number of years' payments remaining to be made.

4. The total amount assured under endowment assurances, specifying sums assured and office premiums separately in respect of each year in which such assurances will mature for payment. The reversionary bonuses must also be separately specified, and the sums assured with immediate profits, with deferred profits, and without profits separately returned.

5. The total amount assured under classes of assurance business, other than assurances dealt with under questions 2 and 4, distinguishing the sums assured under each class and stating separately the amount assured with immediate profits, with deferred profits, and without profits, and the total amount of reversionary bonuses.

6. The amount of premiums receivable annually in respect of each such special class of assurances mentioned under Heading No. 5, distinguishing ordinary from extra premiums.

7. The total amount of premiums which has been received from the commencement upon pure endowment policies which are in force at the date above mentioned.

8. The total amount of immediate annuities on lives, distinguishing the amounts for each year of life, and distinguishing male and female lives.

9. The amount of all annuities on lives other than those specified under Heading No. 8, distinguishing the amount of annuities payable under each class, and the amount of premiums annually receivable.

THE SIXTH SCHEDULE.

(*See Section* 51.)

I.—Rules for Valuing Policies in Case of Winding Up.

(A) as respects life policies.

Rule for valuing an annuity.

An annuity shall be valued according to the tables used by the company which granted such annuity at the time of granting the same, and, where such tables cannot be ascertained

or adopted to the satisfaction of the Court, then according to such rate of interest and table of mortality as the Court may direct.

Rule for valuing a policy.

The value of the policy is to be the difference between the present value of the reversion in the sum assured according to the contingency upon which it is payable, including any bonus or addition thereto made before the commencement of the winding up, and the present value of the future annual premiums.

In calculating such present values interest is to be assumed at such rate, and the rate of mortality according to such tables, as the Court may direct.

The premium to be calculated is to be such premium as according to the said rate of interest and rate of mortality is sufficient to provide for the risk incurred by the office in issuing the policy, exclusive of any addition thereto for office expenses and other charges.

(B) AS RESPECTS WORKMEN'S COMPENSATION POLICIES.

Rule for valuing a half-monthly payment.

The present value of a half-monthly payment shall be valued according to the tables used by the company which granted such half-monthly payment at the time of granting the same, and, where such tables cannot be ascertained or adopted to the satisfaction of the Court, then according to such rate of interest and table of mortality as the Court may direct.

Rule for valuing a policy.

The value of a current policy shall be such portion of the last premium paid as is proportionate to the unexpired portion of the period in respect of which the premium was paid, together with, in the case of a policy under which any half-monthly payment is payable, the present value of that half-monthly payment.

(C) AS RESPECTS ACCIDENT POLICIES.

Rule for valuing a periodical payment.

The present value of a periodical payment shall be valued according to the tables used by the company which granted such weekly payment at the time of granting the same, and, where such tables cannot be ascertained or adopted to the satisfaction of the Court then according to such rate of interest and table of mortality as the Court may direct.

Rule for valuing a policy.

The value of a current policy shall be such portion of the last premium paid as is proportionate to the unexpired portion of the period in respect of which the premium was paid.

(D) AS RESPECTS FIRE AND OTHER POLICIES.

Rule for valuing a policy.

The value of a current policy shall be such portion of the last premium paid as is proportionate to the unexpired portion of the period in respect of which the premium was paid.

THE SEVENTH SCHEDULE.

(See Section 27.)

(A) Form of Statement of new Life Insurance Business.

New life assurances and annuities effected in India by the.....

during the year ending.....

Class of policy.	Number of policies.	*Sums assured.	*Single premiums.	*Annual premiums.
		Rs.	Rs.	Rs.
Whole-life assurances				
Endowment assurances				
Other classes (to be specified)				
Total ..				
		*Amount per annum.		
Immediate annuities				
Other annuities (to be specified) ..				

* Exclusive of re-assurances.

A separate statement in the above form shall be furnished in respect of new life assurances and annuities effected out of India.

Statement of Objects and Reasons.

The object of this Bill is to provide for the Regulation of Insurance Companies operating in India.

There are two Acts at present in force in India relating to insurance companies. One is the Indian Life Assurance Companies Act VI of 1912, and the other is the Provident Insurance Societies Act V of 1912. It is considered that the law should regulate all forms of insurance business carried on in India. It is proposed, therefore, to repeal Act VI of 1912 and to replace it by this Bill. As will be seen from the definition of " Insurance Company " in clause 2 (*i*), the Bill will apply to every company which carries on, or intends to carry on, any class of insurance business in British India, either directly or indirectly through an agent. Companies registered under the Provident Insurance Societies Act have been excluded from the scope of the Bill, but it is proposed to amend Section 3 of this Act with the object of imposing the same limits as are at present prescribed in the case of life assurance business on every kind of insurance business carried on by Provident Insurance Societies.

In framing the Bill, it has been provisionally decided to continue the policy of the Indian Life Assurance Companies Act VI of 1912, and to rely for the protection of the public mainly on a policy of allowing no insurance company to carry on business in India, unless and until it has paid a deposit to Government. These deposits should prevent the establishment of mushroom companies. In addition, it is proposed to insist on the fullest measure

of publicity in regard to the working of each company, in order that the public may judge for themselves whether it is worked on sound and prudent lines. It is also proposed to tighten the control of Government over insurance companies in some respects.

C. A. INNES.

SIMLA, *the* 16*th June*, 1925.

NOTES ON CLAUSES.

Clause 2 (*f*).—The definition of ' dividing society ' is taken from the existing rules, issued under the Indian Life Assurance Companies Act VI of 1912. Under clause 55 (2) (*e*) power is taken to prescribe by rule the additional statements of business to be prepared by such societies and the manner in which such statements shall be furnished to the Governor-General in Council.

Clause 2 (*r*).—The definition of " workmen's compensation insurance business " contains no reference to the issue of, or the undertaking of liabilities under, policies. It is provisionally thought necessary to bring within the scope of the Act associations of employers which, without issuing policies or undertaking liabilities under policies of insurance, carry on such business for the mutual insurance of their members. Such associations may be excused from making deposits under clause 12, and may be exempted from other provisions of the Bill under clause 57.

Clause 9.—It is thought that the practice which it is proposed to prohibit is objectionable and should not be allowed.

Clause 10.—It is proposed that every insurance company carrying on, or intending to carry on, business in British India should make a deposit of Government securities, and that the exemption from this obligation hitherto allowed by Sections 32 and 33 of Act VI of 1912 to assurance companies carrying on life assurance business in the United Kingdom should be withdrawn. The main purpose of the deposit is to prevent the growth of mushroom companies. On the other hand, it is not intended to prevent the establishment of new and sound companies. The amount of the deposits has been fixed with reference to these two considerations.

Clause 11.—It is proposed that life insurance companies constituted in British India should be allowed to make the deposit in five annual instalments. The concession is based on the provisions of Section 4 of Act VI of 1912. It is not considered necessary that the same concession should be allowed to companies carrying on other kinds of insurance business.

Clause 12.—Power is taken to exempt mutual societies, with or without conditions, from the obligation to make deposits. There are a number of Indian mutual companies which could not, without great hardship, make deposits.

Clause 15.—The object of the clause is to protect deposits from attachment under any judgment obtained by a creditor of the company. It is believed that deposits under the English Act of 1909 are not liable to attachment.

Clauses 18 *and* 19.—These clauses deal with the question of separate accounts and funds for each class of insurance business carried on by a company. Separate funds and accounts are made obligatory in respect of life insurance business and workmen's compensation insurance business transacted in India. But joint accounts can be allowed in the case of other kinds of insurance business. The proposals are in accordance with English law on the subject.

Clause 22.—Sub-clauses (1) and (2) repeat foot-notes (2) and (3) to Form A in the First Schedule to Act VI of 1912. Sub-clause (3) prescribes the supply of information which will be a valuable index to growth of the insurance habit in India.

Clause 23 (1).—In the case of accident insurance business and workmen's compensation insurance business, where an outstanding claim frequently takes the form of a periodical payment extending over a long period, it is important that full particulars of such claims and the liability estimated in respect thereof should be appended to the revenue account. The form of statement will be prescribed by rules under the Act. For similar statements, compare Forms C and D in the Fourth Schedule to the English Assurance Companies Act, 1909.

Clause 23 (2).—Leading fire insurance companies usually make it a rule that the reserve for unexpired risks should not be less than 40 per cent. of the premium income of the year. The practice is a wholesome one, and this clause is designed to encourage it.

Clauses 24 (1) *and* (2).—These two clauses are modelled on foot-note 2 to the form of balance-sheet in the Third Schedule of Act VI of 1912. It is considered important, for the protection of the public, that investments should be properly valued in the balance-sheet.

Clause 24 (3).—This clause is taken from foot-note 3 to the form of balance-sheet in the First Schedule of Act VI of 1912.

Clause 24 (4).—Compare Section 18 (1) of the English Industrial Assurance Act of 1923. In regard to life insurance companies in India, the practice enjoined by this clause is already obligatory under Rule 14 of the rules issued under Act VI of 1912.

Clause 24 (5).—This clause is modelled on Rule 8 (*c*) of the rules issued under Act VI of 1912.

Clause 24 (6).—Under Act VI of 1912, life assurance companies have to submit this information in a separate statement to be submitted along with their revenue account.

See also clause 29 (*b*).

Clause 24 (7).—See foot-note 1 to the form of balance-sheet in the Third Schedule of Act VI of 1912.

Clause 25.—See Section 8 of Act VI of 1912. Sub-clause (3) corresponds to Rule 5 of the Rules issued under the above Act.

Clause 29.—The forms prescribed in the Schedule to the Bill are modelled on those prescribed by the English Assurance Companies Act of 1909. It is sufficient, therefore, that companies constituted outside British India, to which the above Act applies, should submit copies of the returns which they are required to send to the Board of Trade. See Section 33 of Act VI of 1912. But additional statements relating to the business of the company in India are prescribed.

Clause 29 (*d*) prescribes that a company carrying on workmen's compensation insurance business in British India must submit a revenue account in respect of such business. Compare Form D in the First Schedule to the English Assurance Companies Act, 1909.

Clause 30.—Sub-clause (1) is taken from Section 11 (2) of Act VI of 1912. Sub-clauses (2) and (3) are modelled on Section 16 of the Industrial Assurance Act, 1923.

Clause 31 (1).—The provisions of Section 37 (1) of Act VI of 1912 have not been repeated in the Bill. No use has ever been made of these provisions. The clause is modelled on Section 37 (ii).

Clause 32.—This clause is new and represents an important departure. It enables Government to deal with a life insurance company whose returns show it to be on the verge of insolvency. Under Section 22 (*b*) of Act VI of 1912, which is repeated in clause 48 (*c*) of this Bill, the Governor-General in Council may apply to the court to have a company, which appears to him to be insolvent, wound up. But there may be cases in which strong actuarial

advice may restore an unsound company to a strong and flourishing condition, and it is proposed by this clause to give the Governor-General in Council power to require a life insurance company, in cases where there is reason to doubt its ability to fulfil its contracts, to submit its affairs to actuarial examination.

Clause 39.—The forms in which insurance companies have to submit their returns to the Governor-General in Council have been carefully drawn up in order that these returns may contain essential information. It is a necessary safeguard that this information should also be made available to the public.

Clause 41.—The procedure in regard to amalgamation has been slightly simplified. Compare Section 20 of Act VI of 1912.

Clause 47.—See Section 34 of Act VI of 1912. The clause makes it plain that the default shall be a ground on which any shareholder or policy-holder may apply, at the expense of the company, for a winding order. Section 34 of Act VI of 1912 does not say who is to approach the court for a winding up order.

Clause 54.—See Section 26 of Act VI of 1912.

Clause 55 (2) (*f*).—This matter is dealt with by Rule 15 of the rules issued under Act VI of 1912. In order to prevent abuses, it is considered necessary for the Governor-General in Council to have power to prescribe the extent to which the premiums referred to in the clause may be treated as assets.

Clause 57.—Taken from Section 41 of Act VI of 1912.

Clause 59.—The effect of Section 3 of the Provident Insurance Societies Act, 1905, is to limit the extent to which such societies might carry on life insurance business. The amendment proposed is designed to limit the extent to which provident insurance societies may carry on any kind of insurance business.

Notes on the Schedules.

Forms A, B, C and D are based on the corresponding forms of the English Act of 1909.

Form A in the draft does not follow the form in the English Act by requiring the following items to be shown separately for business within and out of the United Kingdom:

Premiums,

Consideration for annuities,

Claims by death,

Claims by maturity,

Surrenders,

Annuities,

Bonuses in cash,

Bonuses in reduction of premium,

Commission.

By the provisions of clauses 22 (3) and 92 (*a*), however, the Indian premium income must be stated separately not only for life insurance but for all classes of insurance business. As the consideration for immediate annuities can be ascertained from the returns under the new 5th Schedule it is not considered necessary to have a separate entry for that item as in the English Act.

Notes 1 and 2 to Form A in the English Act are covered by the foot-note to Form A in the draft Bill. Note 3 is covered by the provisions of clause 22 (1). Note 4 by clauses 22 (2) and 24 (5). Note 5 by clause 27. Note 6 by clause 55 (2) (*g*).

In Form D of the 1st Schedule to the draft Bill the amount of the outstanding claims is included in the fire insurance fund instead of being shown separately in the balance-sheet as in the English Act.

In the form of balance-sheet shown in the 3rd Schedule claims under life insurance policies have been split up into claims admitted but not paid and claims intimated but not admitted. On the assets side of the balance-sheet loans and mortgages are included under the general heading of investments. The heads under which many of the other investments have to be entered have been re-arranged to suit the conditions of Indian companies.

Note 1 to the form of balance-sheet in the English Act is dealt with in clause 24 (7) of the draft Bill. Note 2 by the foot-note to the form of balance-sheet in the draft Bill. Note 3 by clauses 24 (1) and 24 (2). Note 4 by clause 20 and the rule to be framed under clause 55 (2) (*b*).

The draft 4th Schedule contains under questions 8 and 17 items which under the English Act are dealt with under headings 10 and 11 of the 5th Schedule to that Act. It also includes several items previously dealt with by the rules issued under the Indian Life Assurance Act of 1912.

The principal changes compared with the English Act are under draft questions Nos. 6, 8, 11, 13, 14, 17 and 19. Also in the foot-notes to the two forms referred to in question No. 16. The forms corresponding to Forms C and D of the 4th Schedule to the English Act are provided for in draft clause 23 (1).

No reference has been made in the Bill to bond investment business as it is not intended to treat such business as insurance business. There are in Madras Presidency a very large number of persons or associations known as Nidhis who transact bond investment business on a small scale and in such a way that it would not be feasible to bring it under the operation of this Act.

The 6th Schedule in the Bill corresponds to the 6th Schedule of the English Act.

The draft 7th Schedule corresponds to Statement D of the Indian Life Assurance Act of 1912.

The 7th Schedule of the English Act is covered by clause 53 of the draft Bill.

No schedule has been prepared corresponding to the 8th Schedule to the English Act

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No. 1258/124 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *27th October*, 1925.

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,
REVENUE DEPARTMENT, BOMBAY.

SIR,

I am directed by my Committee to acknowledge receipt of your letter No. 4327-G/24, dated the 17th of August, on the subject of the proposed legislation to regulate and control all forms of insurance business carried on in India, and in reply have much pleasure in submitting below their considered views on the subject.

2. The Government of India letter which accompanied the draft Bill states that the Bill is intended to regulate *all* forms of insurance business. Heretofore, legislation in India has been confined to life insurance companies. After careful consideration, my Committee are unanimously agreed that the importance and growing extent of insurance business of all kinds in India justifies the Government of India in seeking to protect the general public to the fullest extent possible by introducing regulations to ensure the continued stability of existing companies, encourage the growth of sound Indian concerns in preference to foreign concerns and to prevent the flotation of new companies except on sound lines.

3. As an Association we are chiefly concerned with accident and fire insurance, and while my Committee agree that a system of deposits is necessary for all classes of insurance business to prevent the growth of mushroom companies, it is considered that the proposals enumerated in Section 10 of the Bill do not provide an adequate protection of the interests of the Indian policy-holder, and they strongly recommend that the Bill should be modified in such a manner as to make it compulsory for all insurance companies and agents or companies issuing certificates of insurance under policies issued or to be issued elsewhere than in India, to deposit a sum in India equivalent to 33-1/3 per cent. of their annual premium income in approved Indian securities.

If such a provision were incorporated in the Bill, my Committee believe that the interests of the insured would be more amply protected than by compelling companies to make a deposit as suggested in clause 10, for the reason that the larger the premium income of the company or agent, the larger would be the amount of money deposited, and small but sound concerns would not be unfairly handicapped as compared with larger concerns. For example, a large company with a premium income of twenty lakhs from four classes of insurance business and large accumulated reserves would have very little difficulty, and would be in no sense handicapped by the deposit it would have to make under clause 10 in its present form, whereas an equally sound but much smaller concern dealing in the same four classes of insurance business might be very severely crippled by having to deposit an equal sum.

That it is necessary to enforce a deposit sufficient to prevent the growth or rather the flotation of mushroom companies, my Committee agree and for this purpose they recommend a total deposit of one lakh of rupees in Government securities.

4. In the interests of the development of insurance companies incorporated in India and for the more adequate protection of insured persons, my Committee are in favour of the introduction of provisions in the Bill requiring foreign insurance companies operating in British India to keep in British India under Government control assets equal to the reserve value of the policies issued by them in British India. This Association does not attach very great weight to the objections put forward in para 5 of the Government of India letter, 36-I of 22nd June, 1925, and is inclined to think that the difficulties attendant on the insertion of the provisions mentioned in para 4 of the same letter have been exaggerated, and the full extent of the benefits which would accrue to the country by the successful development of Indian insurance companies, and the investment of further very large sums of money in Indian securities, have been lost sight of.

5. As regards clause 32 of the Bill to which special attention is drawn in the Government of India letter, it is considered that it would be, on the whole, advantageous to give powers to the Governor-General in Council to order an actuarial examination of any insurance company's position which there is good reason to believe is not in a position to fulfil its contracts. Due safeguards should, however, be introduced, so that pending the results of any inquiry by Government, the business of the insurance company concerned should not be adversely affected owing to undue publicity being given to the enquiry. It might indeed be advisable for Government to have their examination *in camera.*

6. It is not quite clear from the provisions contained in Chapter VIII of the Bill whether Indian policy-holders have any protection in the event of the winding up of a foreign company carrying on business in India, and my Committee are of the opinion that the interests of Indian policy-holders should be safeguarded by the introduction of necessary

provisions in the Bill setting forth that the funds of any company invested in approved Indian securities in accordance with the Bill should be earmarked for the benefit of the Indian policy-holders in the event of winding up.

7. My Committee have the following criticisms to offer on particular clauses of the draft Bill :—

Clause 2, sub-clauses (a), (e), (h), (m) and (j).—In the definitions of insurance business as at present framed it would still be possible for Lloyds and similar concerns to issue certificates of insurance without having to give the special safeguards to Indian policy-holders which the proposed system of deposits, etc., enforce on other insurance companies. My Committee would therefore recommend an alteration in the definitions mentioned above which would bring those companies or agents who " issue certificates of insurance under policies issued or to be issued elsewhere " within the scope of the Bill by compelling them to make the deposits called for from other companies.

Clause 2, sub-clause (h).—At the present time, fire insurance policies often give cover against damage by riot and civil commotion. The definition might be suitably extended or an extra definition might be added making insurance against riot and civil commotion a separate class of insurance business for which a deposit is required under clause 10.

Clause 10.—It has been pointed out that owing to the depreciated value of certain Government securities, it would be possible to deposit securities of the face value required under this clause by the expenditure of a much smaller amount of money, and this to some extent reduces the extent of the safeguard which the deposits are intended to give. It should be laid down that Rs. 1,00,000 should be invested where the clause provides for a deposit of one lakh and so on.

A further point which is not made clear is whether adequate facilities will be given for varying the class of securities deposited with the Controller of Currency and the necessary provisions might be provided in the Bill.

With reference to the adequacy of the amount of the deposit, my Committee's attitude has been made clear in paragraph 3 of this letter.

Briefly, my Committee's proposals are that all companies should be asked to make a fixed deposit of one lakh of rupees for the whole of its insurance business instead of a deposit for each particular class of business and *in addition should* keep invested at least 33-1/3 per cent. of its annual premium income in approved securities. The amount of the annual premium income could be ascertained from the previous year's balance-sheet and statement of accounts, and the amount to be deposited could be adjusted annually. In the case of new companies the only deposit to be called for during the first year should be the fixed deposit of one lakh, then at the end of the first year's working the extra deposit of 33-1/3 per cent. of the annual premium income would have to be made.

Clause 19.—No really sound reasons have been advanced as to why separate accounts for all classes of insurance business should not be kept in all cases. If joint accounts have been kept for five years previous to the introduction of the new insurance legislation, this hardly constitutes a reason why, what is evidently considered an undesirable practice, should be allowed to continue.

Moreover, it is considered very advisable that foreign companies doing insurance business in British India should be compelled to keep *separate accounts* for each class of insurance business transacted in British India in contra-distinction to the same classes of insurance business transacted outside British India.

Clause 29.—The clause should, in the interests of the Indian policy-holder, be amended so as to provide that all foreign companies operating in British India should be required to render in addition to general world business balance-sheets and profit and loss accounts, a separate balance-sheet and profit and loss account showing the cost of management, premium reserve, etc., for their Indian business.

Other clauses.—Minor amendments might be necessary in other clauses and returns of the Bill, but for the present, my Committee have no further criticisms of importance to offer thereon.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 21.

BILL TO AMEND THE LAW RELATING TO CARRIAGE OF GOODS BY SEA.

A BILL TO AMEND THE LAW WITH RESPECT TO THE CARRIAGE OF GOODS BY SEA.

Whereas at the International Conference on Maritime Law held at Brussels in October 1922, the delegates at the Conference, including the delegates representing His Majesty, agreed unanimously to recommend their respective Governments to adopt as the basis of a convention a draft convention for the unification of certain rules relating to bills of lading :

And whereas at a meeting held at Brussels in October 1923, the rules contained in the said draft convention were amended by theCommittee appointed by the said Conference :

And whereas provision has been made by the Carriage of Goods by Sea Act, 1924, that the said rules as so amended and as set out with modifications in the Schedule shall, subject to the provisions of that Act, have the force of law with a view to establishing the responsibilities, liabilities, rights and immunities attaching to carriers under bills of lading :

And whereas it is expedient that like provision should be made in British India ; It is hereby enacted as follows :—

1. *Short title and extent.*—(1) This Act may be called the Indian Carriage of Goods by Sea Act, 1925.

(2) It extends to the whole of British India.

2. *Application of Rules.*—Subject to the provisions of this Act, the rules set out in the Schedule (hereinafter referred to as "the Rules") shall have effect in relation to and in connection with the carriage of goods by sea in ships carrying goods from any port in British India to any other port whether in or outside British India.

3. *Absolute warranty of seaworthiness not to be implied in contracts to which Rules apply.*—There shall not be implied in any contract for the carriage of goods by sea to which the Rules apply any absolute undertaking by the carrier of the goods to provide a seaworthy ship.

4. *Statement as to application of Rules to be included in bills of lading.*—Every bill of lading, or similar document of title, issued in British India which contains or is evidence of any contract to which the Rules apply, shall contain an express statement that it is to have effect subject to the provisions of the said Rules as applied by this Act.

5. *Modificationof Article VI of Rules in relation to coasting trade.*—Article VI of the Rules shall, in relation to the carriage of goods by sea in ships carrying goods from any port in British India to any other port in British India or Ceylon, have effect as though the said Article referred to goods of any class instead of to particular goods and as though the proviso to the second paragraph of the said Article were omitted.

6. *Modification of Rules 4 and 5 of Article III in relation to bulk cargoes.*—Where under the custom of any trade the weight of any bulk cargo inserted in the bill of lading is a weight ascertained or accepted by a third party other than the carrier or the shipper and

the fact that the weight is so ascertained or accepted is stated in the bill of lading, then, notwithstanding anything in the Rules, the bill of lading shall not be deemed to be *prima facie* evidence against the carrier of the receipt of goods of the weight so inserted in the bill of lading, and the accuracy thereof at the time of shipment shall not be deemed to have been guaranteed by the shipper.

7. *Saving and operation.*—(1) Nothing in this Act shall affect the operation of sections four hundred and forty-six to four hundred and fifty, both inclusive, five, hundred and two, and five hundred and three of the Merchant Shipping Act, 1894, as amended by any subsequent enactment, or the operation of any other enactment for the time being in force limiting the liability of the owners of seagoingvessels. 57 and 58 Vict. C. 60.

(2) The Rules shall not by virtue of this Act apply to any contract for the carriage of goods by sea before such day, not being earlier than the first day of January, 1926, as the Governor-General in Council may by notification in the *Gazette of India* appoint, nor to any bill of lading or similar document of title issued, whether before or after such day as aforesaid, in pursuance of any such contract as aforesaid.

SCHEDULE.

RULES RELATING TO BILLS OF LADING.

ARTICLE I.—*Definitions.*

In these Rules the following expressions have the meanings hereby assigned to them respectively, that is to say—

(*a*) "Carrier" includes the owner or the charterer who enters into a contract of carriage with a shipper:

(*b*) "Contract of carriage" applies only to contracts of carriage covered by a bill of lading or any similar document of title, in so far as such document relates to the carriage of goods by sea, including any bill of lading or any similar document as aforesaid issued under or pursuant to a charter party from the moment at which such bill of lading or similar document of title regulates the relations between a carrier and a holder of the same:

(*c*) "Goods" includes goods, wares, merchandises, and articles of every kind whatsoever, except live animals and cargo which by the contract of carriage is stated as being carried on deck and is so carried:

(*d*) "Ship" means any vessel used for the carriage of goods by sea:

(*e*) "Carriage of goods" covers the period from the time when the goods are loaded on to the time when they are discharged from the ship.

ARTICLE II.—*Risks.*

Subject to the provisions of Article VI, under every contract of carriage of goods by sea the carrier, in relation to the loading, handling, stowage, carriage, custody, care and discharge of such goods, shall be subject to the responsibilities and liabilities, and entitled to the rights and immunities hereinafter set forth.

ARTICLE III.—*Responsibilities and Liabilities.*

1. The carrier shall be bound, before and at the beginning of the voyage, to exercise due diligence to—

(*a*) Make the ship seaworthy:

(*b*) Properly man, equip, and supply the ship :

(*c*) Make the holds, refrigerating and cool chambers, and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage and preservation.

2. Subject to the provisions of Article IV, the carrier shall properly and carefully load, handle, stow, carry, keep, care for and discharge the goods carried.

3. After receiving the goods into his charge, the carrier, or the master or agent of the carrier, shall, on demand of the shipper issue to the shipper a bill of lading showing among other things—

(*a*) The loading marks necessary for identification of the goods as the same are furnished in writing by the shipper before the loading of such goods starts, provided such marks are stamped or otherwise shown clearly upon the goods if uncovered, or on the cases or coverings in which such goods are contained, in such a manner as should ordinarily remain legible until the end of the voyage :

(*b*) Either the number of packages or pieces, or the quantity, or weight, as the case may be, as furnished in writing by the shipper :

(*c*) The apparent order and condition of the goods :

Provided that no carrier, master or agent of the carrier, shall be bound to state or show in the bill of lading any marks, number, quantity, or weight which he has reasonable ground for suspecting not accurately to represent the goods actually received, or which he has had no reasonable means of checking.

4. Such a bill of lading shall be *prima facie* evidence of the receipt by the carrier of the goods as therein described in accordance with paragraph 3 (*a*), (*b*) and (*c*).

5. The shipper shall be deemed to have guaranteed to the carrier the accuracy at the time of shipment of the marks, number, quantity, and weight, as furnished by him, and the shipper shall indemnify the carrier against all loss, damages, and expenses arising or resulting from inaccuracies in such particulars. The right of the carrier to such indemnity shall in no way limit his responsibility and liability under the contract of carriage to any person other than the shipper.

6. Unless notice of loss or damage and the general nature of such loss or damage be given in writing to the carrier or his agent at the port of discharge before or at the time of the removal of the goods into the custodyof the person entitled to delivery thereof under the contract of carriage, or, if the loss or damage be not apparent, within three days, such removal shall be *prima facie* evidence of the delivery by the carrier of the goods as described in the bill of lading

The notice in writing need not be given if the state of the goods has at the time of their receipt been the subject of joint survey or inspection.

In any event the carrier and the ship shall be discharged from all liability in respect of loss or damage unless suit is brought within one year after delivery of the goods or the date when the goods should have been delivered.

In the case of any actual or apprehended loss or damage the carrier and the receiver shall give all reasonable facilities to each other for inspecting and tallying the goods.

7. After the goods are loaded the bill of lading to be issued by the carrier, master or agent of the carrier, to the shipper shall, if the shipper so demands, be a " shipped " bill of lading, provided that if the shipper shall have previously taken up any document of title to such goods, he shall surrender the same as against the issue of the " shipped" bill of lading, but at the option of the carrier, such document of title may be noted at the port of shipment

by the carrier, master, or agent with the name or names of the ship or ships upon which the goods have been shipped and the date or dates of shipment, and when so noted the same shall for the purpose of this Article be deemed to constitute a " shipped " bill of lading.

8. Any clause, covenant or agreement in a contract of carriage relieving the carrier or the ship from liability for loss or damage to or in connection with goods arising from negligence, fault or failure in the duties and obligations provided in this Article or lessening such liability otherwise than as provided in these Rules, shall be null and void and of no effect.

A benefit of insurance or similar clause shall be deemed to be a clause relieving the carrier from liability.

ARTICLE IV.—*Rights and Immunities.*

1. Neither the carrier nor the ship shall be liable for loss or damage arising or resulting from unseaworthiness unless caused by want of due diligence on the part of the carrier to make the ship seaworthy, and to secure that the ship is properly manned, equipped and supplied, and to make the holds, refrigerating and cool chambers and all other parts of the ship in which goods are carried fit and safe for their reception, carriage and preservation in accordance with the provisions of paragraph 1 of Article III.

Whenever loss or damage has resulted from unseaworthiness, the burden of proving the exercise of due diligence shall be on the carrier or other person claiming exemption under this section.

2. Neither the carrier nor the ship shall be responsible for loss or damage arising or resulting from—

(*a*) act, neglect, or default of the master, mariner, pilot, or the servants of the carrier in the navigation or in the management of the ship:
(*b*) fire, unless caused by the actual fault or privity of the carrier :
(*c*) perils, dangers and accidents of the sea or other navigable waters :
(*d*) act of God :
(*e*) act of war :
(*f*) act of public enemies :
(*g*) arrest or restraint of princes, rulers or people, or seizure under legal process ;
(*h*) quarantine restriction :
(*i*) act or omission of the shipper or owner of the goods, his agent or representative:
(*j*) strikes or lock-outs or stoppage or restraint of labour from whatever cause, whether partial or general :
(*k*) riots and civil commotions :
(*l*) saving or attempting to save life or property at sea :
(*m*) wastage in bulk or weight or any other loss or damage arising from inherent defect, quality, or vice of the goods :
(*n*) insufficiency of packing :
(*o*) insufficiency or inadequacy of marks :
(*p*) latent defects not discoverable by due diligence :
(*q*) any other cause arising without the actual fault or privity of the carrier, or without the fault or neglect of the agents or servants of the carrier, but the burden of proof shall be on the person claiming the benefit of this exception to show that neither the actual fault or privity of the carrier nor the fault or neglect of the agents or servants of the carrier contributed to the loss or damage.

3. The shipper shall not be responsible for loss or damage sustained by the carrier or the ship arising or resulting from any cause without the act, fault or neglect of the shipper, his agents or his servants.

4. Any deviation in saving or attempting to save life or property at sea, or any reasonable deviation shall not be deemed to be an infringement or breach of these Rules or of the contract of carriage, and the carrier shall not beliable for any loss or damage resulting therefrom.

5. Neither the carrier nor the ship shall in any event be or become liable for any loss or damage to or in connection with goods in an amount exceeding £ 100 per package or unit, or the equivalent of that sum in other currency, unless the nature and value of such goods have been declared by the shipper before shipment and inserted in the bill of lading.

This declaration if embodied in the bill of lading shall be *prima facie* evidence, but shall not be binding or conclusive on the carrier.

By agreement between the carrier, master or agent of the carrier and the shipper another maximum amount than that mentioned in this paragraph may be fixed, provided that such maximum shall not be less than the figure above named.

Neither the carrier nor the ship shall be responsible in any event for loss or damage to or in connection with goods if the nature or value thereof has been knowingly misstated by the shipper in the bill of lading.

6. Goods of an inflammable, explosive or dangerous nature to the shipment wherefore the carrier, master or agent of the carrier has not consented, with knowledge of their nature and character, may at any time before discharge be landed at any place or destroyed or rendered innocuous by the carrier without compensation, and the shipper of such goods shall be liable for all damages and expenses directly or indirectly arising out of or resulting from such shipment.

If any such goods shipped with such knowledge and consent shall become a danger to the ship or cargo, they may, in like manner be landed at any place or destroyed or rendered innocuous by the carrier without liability on the part of the carrier except to general average, if any.

ARTICLE V.—*Surrender of Rights and Immunities, and increase of Responsibilities and Liabilities.*

A carrier shall be at liberty to surrender in whole or in part all or any of his rights or immunities or to increase any of his responsibilities and liabilities under the Rules contained in any of these Articles, provided such surrender or increase shall be embodied in the bill of lading issued to the shipper.

The provisions of these Rules shall not be applicable to charter parties, but if bills of lading are issued in the case of a ship under a charter party they shall comply with the terms of these Rules. Nothing in these Rules shall be held to prevent the insertion in a bill of lading of any lawful provision regarding general average.

ARTICLE VI.—*Special Conditions.*

Notwithstanding the provisions of the preceding Articles, a carrier, master or agent of the carrier, and a shipper shall in regard to any particular goods be at liberty to enter into any agreement in any terms as to the responsibility and liability of the carrier for such goods, and as to the rights and immunities of the carrier in respect of such goods, or his obligation as to seaworthiness, so far as this stipulation is not contrary to public policy, or the care or diligence of his servants or agents in regard to the loading, handling, stowage, carriage, custody, care, and discharge of the goods carried by sea, provided that in this case no bill of lading has been or shall be issued and that the terms agreed shall be embodied in a receipt which shall be a non-negotiable document and shall be marked as such.

Any agreement so entered into shall have full legal effect.

Provided that this Article shall not apply to ordinary commercial shipments made in the ordinary course of trade, but only to other shipments where the character or condition of the property to be carried or the circumstances, terms and conditions under which the carriage is to be performed are such as reasonably to justify a special agreement.

ARTICLE VII.—*Limitations on the Application of the Rules.*

Nothing herein contained shall prevent a carrier or a shipper from entering into any agreement, stipulation, condition, reservation or exemption as to the responsibility and liability of the carrier or the ship for the loss or damage to or in connection with the custody and care and handling of goods prior to the loading on and subsequent to the discharge from the ship on which the goods are carried by sea.

ARTICLE VIII.—*Limitation of Liability.*

The provisions of these Rules shall not affect the rights and obligations of the carrier under any statute for the time being in force relating to the limitation of the liability of owners of sea-going vessels.

ARTICLE IX.

The monetary units mentioned in these Rules are to be taken to be gold value.

STATEMENT OF OBJECTS AND REASONS.

A bill of lading was originally a receipt for the goods placed on a ship and also a document for transferring the title of the goods to the consignee. With the development of trade, it became recognised as a negotiable instrument in which shippers, the carriers and the consignees or purchasers of the goods as well as bankers and underwriters became increasingly interested. Concurrently with this it became the custom to show on the bill of lading the terms of the contract on which the goods were delivered to and received by the ship, and from time to time new clauses were added usually in the direction of contracting the carrier out of liability for some kind of loss or damage to the goods. There thus arose great diversity between the conditions on which goods were carried by sea and considerable uncertainty about the liabilities which still attached to the carrier.

2. There has been a demand for many years among the different commercial interests which handle bills of lading for uniformity among all maritime countries in the definition of the liabilities and risks attaching to the carrier of goods by sea. Some countries, *e.g.*, Canada, Australia and the United States of America, enacted legislation prohibiting carriers of goods by sea from contracting themselves out of certain kinds of liability. The matter was discussed at several International Conferences between shipowners, shippers and bankers in an attempt to secure the universal adoption of an agreed set of rules.

3. A code of rules was drawn up in 1921 by the International Law Association at The Hauge. These were subjected to criticism by the various interests affected till finally agreement was reached at the International Conferences on Maritime Law held in Brussels in October 1922 and again in October 1923. A code of rules defining the responsibilities and liabilities to which a carrier of goods by sea should be subject and also the rights and immunities he was entitled to enjoy was drawn up, and it was unanimously recommended that every country should give legal sanction to these rules. The United Kingdom has done so by the Carriage of Goods by Sea Act (14 and 15 Geo. 1924). It is proposed to do the same in India by this Bill.

4. This Bill follows closely the English Act. The agreed code of Rules are reproduced in the Schedule. Clause 5 of the Bill exempts from these rules goods carried in the coasting trade under documents other than bills of lading, whilst clause 6 saves the carrier from claims for shortage of weight in certain cases of bulk shipments, where, by the custom of the trade, the weight entered in the bill of lading is a weight ascertained or accepted by a third party other than the carrier or shipper and this fact is so stated in the bill of lading.

C. A. INNES.

The 19th January, 1925.

No. 685/98 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *23rd May*, 1925.

G. A. THOMAS, ESQ., I.C.S.,
Secretary to the Government of Bombay,
REVENUE DEPARTMENT, BOMBAY.

SIR,

I am directed by the Committee of the Bombay Millowners' Association to state their views regarding the Bill to amend the law with respect to the carriage of goods by sea which appeared in the *Bombay Government Gazette*, dated 2nd April, 1925, and to request you to communicate these views to the Government of India.

2. My Committee agree that there should be uniformity among all maritime countries as regards liabilities and risks attaching to the carrier of goods by sea, and they are of opinion that the code of rules drawn up by the International Conferences on Maritime Law held in 1922 and 1923 deserve the support of all commercial interests. The Bill under consideration, like the corresponding English Act, is based upon the recommendations of the said Conferences, and therefore my Committee are in general agreement with the principle and provisions of the Bill, subject to the one exception mentioned below.

3. My Committee apprehend that Section 5 of the Bill is likely to prove prejudicial to the coasting trade of this country which is at present being carried on with the facility of bills of lading, for the receipts to be granted under the new enactment in lieu of bills of lading are to be non-negotiable. My Committee therefore recommend that Section 5 of the Bill should be so amended as not to deprive the coastal trade of the benefit of the bills of lading which are treated as negotiable instruments.—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 22.

AMENDMENT OF INDIAN INCOME-TAX ACT.

ASSESSMENT OF PARTNERS IN A REGISTERED FIRM, ETC.

GOVERNMENT OF INDIA,
LEGISLATIVE DEPARTMENT,
23rd January, 1925.

The following Bill was introduced in the Legislative Assembly on the 2nd February, 1925:—

No. 5 of 1925.

XI of 1922. A Bill further to amend the Indian Income-tax Act, 1922, for the purpose hereinafter appearing. It is hereby enacted as follows :—

Short title. 1. This Act may be called the Indian Income-tax (Amendment) Act, 1925.

Amendment of Section 56, Act XI of 1922. 2. To Section 56 of the Indian Income-tax Act, 1922, the following proviso shall be added, namely :—

'Provided that, in computing the total income of a member of a registered firm, where any change occurs in the constitution of the firm, the profits or gains of the firm during the previous year shall be deemed to have been received in that year by the members of the firm as constituted at the time of making the assessment to super-tax in proportion to their shares in the firm at that time."

STATEMENT OF OBJECTS AND REASONS.

Difficulty has been felt inassessing individuallyto super-tax in registered firms, where there has been a change in the constitution of the firm owing to one or more of the partners retiring, to new partners being taken into the firm, or to a change, for any other reason, in the share of profits to which the individual partners with reference to the shares held by them at the timeof assessment, though on the profits of the firm during the previous year. The Bombay High Court, however, has recently held that the partners should be assessed not according to the shares to whicht hey are entitled in the year of assessment, but according to the shares to whichthey were entitled in the previous year in which the profits were earned. The result of this decision is that in the case of retiring partners leaving the country, it is often impossible for the Income-tax Department to recover any super-tax at all from them; while at the same time the new partner who comes in during the year of assessment is not liable to pay the super-tax.

2. To get over this difficulty, it is proposed to legalise what has been the departmental practice hitherto, and the present Bill is intended to secure this object.

BASIL P. BLACKETT.

L. GRAHAM,
Secretary to the Government of India.

APPENDIX 23.

AMENDMENT OF INDIAN INCOME-TAX ACT.

RECOVERY OF SUPER-TAX FROM NON-RESIDENT SHAREHOLDERS.

No. F.-122-I.T./25.

GOVERNMENT OF INDIA,
FINANCE DEPARTMENT (CENTRAL REVENUES),
DELHI, *23rd February*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

Super-tax—Dividends—Non-resident Shareholder—Liability of Principal Officer of Company—Indian Income-tax Act, XI of 1922—*Section* 57 (2)—
Proposed Amendment.

SIR,

Section 57 (2) of the Indian Income-tax Act, XI of 1922, runs as follows :—

" Where any assessee who is liable to pay super-tax on the amount of the dividends receivable by him from any company is, to the knowledge of the principal officer of the company, residing out of British India, the principal officer shall be liable to pay the

super-tax due by such non-resident person in respect of the dividends received by him from the company, and shall have power to deduct the amount of such super-tax from the amount payable by the company to such assessee."

2. The intention of this section is plain. It was intended to enable super-tax to be collected by deduction at source from the dividends payable to a non-resident shareholder. It has been found, however, that owing to technical defects in the drafting of the section. the latter, as it stands, is of no practical use whatever. This is partly due to the use of the phrase " any assessee who is liable to pay super-tax." The section contemplates deduction from the dividends at the time of payment, but the " liability " to super-tax does not arise until the following year, since super-tax, like income-tax, is charged on the income of the previous year. Further, an " assessee " is defined in Section 2 (2) as " a person by whom income-tax is payable." " Income-tax" in this section includes super-tax [Section 58 (1)], but it seems doubtful whether income-tax or super-tax can be said to be " payable " by a person who has not been formally assessed to income-tax or super-tax. Nor is it clear how super-tax can be " due " from a person who has not been assessed to super-tax. Government therefore propose to amend the section so as to make it effective.

3. The question then arises what should be the precise scope of the amended section. The instructions in the Income-tax Manual are that the section, as it stands, should be regarded as authorising the principal officer of the company to deduct super-tax from the dividends due to a non-resident shareholder when the amount of that dividend taken by itself exceeds the sum of Rs. 50,000 (or in the case of a Hindu Undivided Family, Rs. 75,000). Here again it is doubtful whether this limitation of its scope is implied in the words " liable to pay super-tax on the amount of the dividends." However this may be it has to be decided whether the scope of the amended section should be specifically limited in this manner. It is clear that such a limitation must render the working of the section somewhat capricious and unfair as between different assessees. It would lead, for example, to the following results :—

(1) A man who derives an income of Rs. 55,000 from a single company becomes liable to deduction of super-tax from this dividend at source whereas a man who has, say, an income of Rs. 40,000 from each of 5 companies—2 lakhs in all—is not liable to such deduction.

(2) If a man happens to draw dividends each amounting to Rs. 55,000 from two companies, he suffers super-tax at one anna a rupee on Rs. 10,000 out of this income of Rs. 1,10,000, whereas if he draws a dividend of Rs. 1,10,000 from a single company, super-tax is deducted at the rate of one anna in the rupee on Rs, 50,000 out of this sum and at the rate of 1½ annas in the rupee on Rs. 10,000. The difference between the sums paid in the two cases is very large.

(3) The general effect is that a non-resident shareholder does not necessarily, like a resident shareholder, pay super-tax at the correct rate or rates calculated with reference to his total income but at a rate or rates calculated with reference only to a fragment or fragments of his income.

4. In order, as far as possible, to avoid such anomalies and place the non-resident shareholder in the same position in respect of super-tax as anyone else, it has been suggested :—

(1) That where the Income-tax Officer is aware that the total income from all sources of a non-resident shareholder is such as to render him liable to super-tax, he should communicate to the principal officer or officers of the company or companies in which he holds shares, the amount of super-tax that should be deducted from each dividend and the principal officer should then be bound to deduct super-tax accordingly. The Income-tax Officer could only of course estimate the amount with reference to the figures of former years. Any excess or deficiency would be liable to adjustment when the total amount of dividends received in any given year was ascertained.

(2) Where the same person is the principal officer of two or more companies, it should be incumbent on him to deduct super-tax from the dividends due to a person holding shares in two or more such companies at the rate or rates applicable to the aggregate of the dividends in the absence of any communication from the Income-tax Officer as to the amount of super-tax to be deducted.

5. These suggestions are only tentative and of course require to be worked out in detail. I am directed to request that your Association will be so good as to favour the Government of India, at their early convenience, with their views and suggestions in regard to the proposed legislation.—I have, etc.,

V. S. SUNDARAM,
Under-Secretary to the Government of India.

No. 529/71 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *8th April*, 1925.

THE UNDER-SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE DEPARTMENT (CENTRAL REVENUES), DELHI.

SIR,

I have the honour to acknowledge receipt of your circular letter No. F-122-IT./25 dated 23rd February, 1925, on the subject of the proposed amendment to Section 57 (2) of the Indian Income-tax Act.

2. My Committee have given their very careful consideration to the matter, and they are unanimously of the opinion that the proposed amendments are not a satisfactory solution of the anomalies pointed out in your letter.

3. As regards suggestion No. 1 made in the fourth para of your letter, the unsatisfactory nature thereof is indicated in the latter half of the para where you point out that the Income-tax Officer could only estimate the amount of super-tax with reference to the figures of former years, and that any excess or deficiency would be liable to adjustment when the total amount of dividends received in any given year was ascertained. Moreover, the suggestion will be of no practical use with regard to those non-resident shareholders who are liable to super-tax but whose income is not known to the Income-tax Officer.

4. As regards suggestion No. (2), my Committee are emphatically against the principal officer of a company being made responsible for the collection of the super-tax due from some of the shareholders of the company. The principal officer of a company cannot necessarily be expected to be conversant with all the intricacies of the Income-tax Act, and in my Committee's opinion it is unreasonable to expect him to find out which of the shareholders are liable to pay super-tax.

5. My Committee maintain that the simplest solution of the anomalies pointed out in your letter would be that all joint stock companies should be asked to furnish to the Registrar of Joint Stock Companies the names of such of their shareholders as are not residing in India, and the total dividends earned by such shareholders, and from these particulars it should be easy for the Income-tax Officer to find out exactly which non-resident shareholders are liable to pay super-tax.—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 24.

PROVIDENT FUNDS—ASSESSMENT OF EMPLOYERS' CONTRIBUTIONS.

No. 1094/71 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *23rd September*, 1925.

ALL MEMBERS OF THE
BOMBAY MILLOWNERS' ASSOCIATION.

DEAR SIRS,

Several members of the Association have Provident Funds for the benefit of their employees, and I am directed to draw the special attention of such members to the following proviso in paragraph 45 of the "Notes and Instructions regarding the Income-tax Law and Rules" from which it will be noticed that although an employer's contributions to the Provident Fund are not exempted from income-tax, actual payments made to employees from the Provident Fund, so far as they are made from contributions of employers, are to be treated as "business expense," and a corresponding allowance has to be made on that account in the income-tax payable by the firm, company, etc., making such payments from the Provident Fund:—

> "Where, however, such funds remain in the hands or under the control of the employers, no contributions by the employers can be allowed as a business expenses; but in such cases actual payments made to employees leaving the service of the employer should be allowed as a business expense in the year in which such payments are made, so far as such payments are made from the contributions of the employers whether in that year or in preceding years."

2. The attention of the Committee of the Association was drawn to the above proviso in the course of a discussion the Committee had some time back with Mr. A. R. Loftus Tottenham, C.I.E., I.C.S., First Member, Board of Revenue. It would appear that this proviso is not generally known, with the result that when a company makes actual payments from the Provident Fund to an employee on his leaving the service, etc., it fails to claim a deduction in income-tax on account of that portion of the payment which represents its own contribution to the Provident Fund. I am therefore directed to draw the attention of the members to this proviso, so that they might not fail to claim the requisite deduction from the income-tax whenever they make actual payments to their employees from the Provident Fund.—Yours faithfully,

T. MALONEY,
Secretary.

APPENDIX 25.

DEVELOPMENT DEPARTMENT CHAWLS.

No. 1357/91 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *21st November*, 1925.

THE DIRECTOR,
DEVELOPMENT DEPARTMENT, BOMBAY.

SIR,

For some time past the Committee of this Association have had under their consideration the justification or otherwise of the Cotton Trade of Bombay being called upon to pay a Town Duty of Re. 1 per bale of cotton, for the purpose of meeting the annual loss on the housing scheme for labouring classes which was one of the most important items in the programme of work laid down when the Development Department was launched into existence.

2. My Committee would like to be furnished with detailed explanation on the points mentioned below, and they have directed me to request you kindly to furnish them with the requisite information at your earliest convenience.

3. In 1920, His Excellency Sir George Lloyd (now Baron Lloyd) while introducing the Bill in the Legislative Council, stated that the estimated cost of 50,000 tenements was Rs. 5,50,00,000. From the Report of the Working of the Development Directorate for the year ending 31st March, 1925, it appears that the final revised estimate for the reduced programme of 211 chawls or 16,864 tenements amounts to Rs. 3,51,57,100, *i.e.*, Rs. 2,084 per tenement against Sir George Lloyd's estimate of Rs. 1,100 per tenement. Thus, the original estimate of expenditure has been exceeded by nearly 90 per cent. In view of the considerable discrepancy between the original estimate and actual expenditure incurred, my Committee would like to be furnished with the details on which Sir George Lloyd's estimate was based, and the detailed figures of the costs actually incurred by the Development Department for the housing scheme up to date.

4. I am directed to point out that the Preamble to Bombay Act XX of 1920 under which the Cotton Duty was levied, stated that the revenue from the Town Duty on cotton was required, *inter alia*, for the purpose of establishing 50,000 tenements for the labouring classes. According to the latest information available, it would appear that it has now been definitely decided not to erect more than 16,864 tenements. My Committee therefore submit that equity requires that there should be a proportionate reduction in the rate of the Town Duty on cotton, but unfortunately the very heavy expenditure incurred so far would appear to make it difficult for Government to abolish or even to reduce the duty. My Committee are unanimously of the opinion that when it was found that the expenditure was to be something like 90 per cent. in excess of the original estimate Government would have been well advised if they had at once published the figures, and stopped proceeding further with the work of erecting chawls. Had this been done an enormous and needless burden on the public exchequer would have been averted and my Committee will be pleased to be furnished with the reasons why this obviously wise course was not adopted.

5. This Association supported the scheme as originally enunciated on the clear understanding that 50,000 sanitary tenements would be put up for the workpeople. Moreover, the original estimates gave the public to understand that the economic rent of the tenements would be Rs. 7·72 per month and that the rent actually charged would be, say, Rs. 2-8-0 lower, *i.e.*, about Rs. 5-8-0 per month. If that had been adhered to, the mill-operatives would have secured housing at reasonable rates. As matters stand, however, very few mill-operatives can afford to go into the Development chawls. Many of the mills are constrained to put up their own chawls owing to the failure of the Development Department to house the mill-operatives. Taking all these facts into consideration, my Committee are unanimously of the opinion that the duty on cotton, which costs the mills something like Rs. 10 lakhs annually, constitutes a double wrong to the Cotton Mill Industry. Before approaching Government in this connection my Committee would like to be furnished with the information asked for above, and they would greatly appreciate a very early reply to this letter.—I have, etc.,

T. MALONEY,
Secretary.

No. 53/D.D.

DEVELOPMENT DIRECTORATE,
OLD CUSTOM HOUSE YARD, FORT,
BOMBAY, *25th November*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT :—*Industrial Housing Scheme of the Development Directorate.*

DEAR SIR,

I beg to acknowledge the receipt of your letter No. 1357-91, dated the 21st November, 1925, asking for certain information in connection with the scheme mentioned above, and to state that it is receiving attention.—Yours faithfully,

——VACHHA,
for *Deputy Director of Development.*

APPENDIX 26.

THE BOMBAY RENT ACT.

BILL No. I OF 1925.

A BILL FURTHER TO AMEND THE BOMBAY RENT (WAR RESTRICTIONS) ACT, 1918, AND THE BOMBAY RENT (WAR RESTRICTIONS No. 2) ACT, 1918.

(*As published in the "Bombay Government Gazette" of the 22nd January*, 1925.)

Bom. II of 1918. Bombay VII of 1918. 5 & 6 Geo. V. c. 61.

Whereas it is expedient further to amend the Bombay Rent (War Restrictions) Act, 1918, and the Bombay Rent (War Restrictions No. 2) Act, 1918, in manner hereinafter appearing; And Whereas the previous sanction of the Governor-General required by Section 80-A of the Government of India Act has been obtained for the passing of this Act; It is hereby enacted as follows:—

Short title.

1. This Act may be called the Bombay Rent (War Restrictions) Amendment Act, 1925.

Bom. II of 1918. Amendment of Section 1 of Bom. II of 1918.

2. In sub-section (4) of Section 1 of the Bombay Rent (War Restrictions) Act, 1918, hereinafter called the principal Act, for the figures and words "1925, in respect of any premises used as a dwelling-house" the figures and words "1928, in respect of any premises used wholly or principally as a dwelling-house of which the standard rent exclusive of the percentage allowable under this Act does not exceed Rs. 50 in the municipal district and cantonment of Karachi and Rs. 85 in any other place" shall be substituted.

Amendment of Section 2 of Bom. II of 1918.

3. In clause (*a*) of sub-section (1) of Section 2 of the principal Act,

(1) in sub-clause (*i*) for the words "the schedule" the words "Schedule A" shall be substituted;

(2) in sub-clause (*ii*) after the word 'let' where it occurs for the second time the words "with the addition of the percentage shown in Schedule B hereto" shall be inserted; and

(3) in sub-clause (*iii*)

(*i*) for the word 'twenty' the word 'ten' shall be substituted; and

(*ii*) after the word 'rent' where it occurs for the second time the words "plus the percentage shown in Schedule A hereto of such rent" shall be inserted.

Amendment of Section 9 of Bom. II of 1918.

4. (1) (*a*) In sub-section (3) of Section 9 of the principal Act the words "after the 21st day of August 1922," and the words "after the said date and" shall be omitted;

(*b*) after the word "premises" wherever it occurs in the said sub-section the words "or any part thereof" shall be inserted.

(2) after sub-section (3) the following shall be inserted, namely—

"(4) the fact that a tenant who entered into possession of any premises by reason of his being *bona fide* in the employment of his landlord has ceased to be in his employment shall be deemed to be a satisfactory cause within the meaning of sub-section (2).

"(5) Nothing in sub-section (1) shall apply in the case of any premises in the City of Bombay which appear to the Municipal Commissioner for the City of Bombay to be in a ruinous condition, or likely to fall, or in any way dangerous to any person occupying, resorting to or passing by such premises or any other building or place in the neighbourhood thereof and in respect of which notice under Section 354 of the City of Bombay Municipal Act, 1888, has been issued by the said Commissioner to the owner or occupier of the said premises." Bombay III of 1888.

Schedules.

5. For the schedule to the principal Act the following schedules shall be substituted, namely :—

" SCHEDULE A.

[*See Section* 2 (*a*) (*i*) *and* (*iii*).]

The additional percentage referred to in sub-clauses (*i*) and (*iii*) of clause (*a*) of sub-section (1) of Section 2 shall be the percentage shown in column 3 and payable as therein specified, in respect of premises of the monthly rental shown in column 1 and situate in the area specified in column 2.

1	2	3	
Rental not exceeding Rs. 50.	In any place in which the Act is in operation.	From the 1st day of January 1926 up to and including the 31st day of December 1926	30
		From the 1st day of January 1927 up to and including the 31st day of December 1927	40
		From the 1st day of January 1928 up to and including the 31st day of December 1928	50
Rental exceeding Rs. 50 but not exceeding Rs. 85.	In any place in which the Act is in operation except the municipal district and cantonment of Karachi.	From the 1st day of January 1926 up to and including the 31st day of December 1926	40
		From the 1st day of January 1927 up to and including the 31st day of December 1927	50
		From the 1st day of January 1928 up to and including the 31st day of December 1928	60

SCHEDULE B.

[*See Section* 2 (*a*) (*ii*).]

The additional percentage referred to in sub-clause (*ii*) of clause (*a*) of sub-section (1) of Section 2 shall be the percentage shown in column 3 and payable as therein specified, in respect of premises of the monthly rental shown in column 1 and situate in the area specified in column 2.

1	2	3	
Rental not exceeding Rs. 50.	In any place in which the Act is in operation.	From the 1st day of January 1926 up to and including the 31st day of December 1926	20
		From the 1st day of January 1927 up to and including the 31st day of December 1927	30
		From the 1st day of January 1928 up to and including the 31st day of December 1928	40
Rental exceeding Rs. 50 but not exceeding Rs. 85.	In any place in which the Act is in operation except the municipal district and cantonment of Karachi.	From the 1st day of January 1926 up to and including the 31st day of December 1926	30
		From the 1st day of January 1927 up to and including the 31st day of December 1927	40
		From the 1st day of January 1928 up to and including the 31st day of December 1928	50

Bombay VII of 1918

Amendment of Section I of Bom. VII of 1918.

6. In sub-section (2) of Section 1 of the Bombay Rent (War Restrictions No. 2) Act, 1918, hereinafter called the subsidiary Act, for the figures and words "1925, in respect of any premises used as a dwelling-house" the figures and words "1928, in respect of any premises used wholly or principally as a dwelling-house" shall be substituted.

Amendment of Section 4 of Bom. VII of 1918.

7. To clause (*b*) of sub-section (1) of Section 4 of the subsidiary Act the word "and" shall be added; and after the said clause the following shall be inserted, namely :—

"(*c*) authorise a landlord to open and take possession of his premises when the tenant has not occupied the premises for three successive months and has failed to pay the rent-due."

Amendment of Section 17 of Bom. VII of 1918.

8. To Section 17 of the subsidiary Act the following sub-section shall be added, namely :—

"(5) Nothing in sub-sections (1) and (2) shall apply in the case of any premises in the city of Bombay which appear to the Municipal Commissioner for the City of Bombay to be in a ruinous condition, or likely to fall or in any way dangerous to any person occupying, resorting to or passing by such premises or any other building or place in the neighbourhood thereof and in respect of which notice under Section 354 of the City of Bombay Municipal Act, 1888, has been issued by the said Commissioner to the owner or occupier of the said premises."

Bombay III of 1888.

STATEMENT OF OBJECTS AND REASONS.

The Bombay Rent (War Restrictions) Acts of 1918 (Bombay Acts II and VII of 1918) were passed with the object of restricting the raising of rent in Bombay and certain other places as, owing to the war, the supply of accommodation had not kept pace with the demand. Bombay Act II of 1918 was the main Act, while Bombay Act VII of 1918 was a subsidiary one dealing with small premises of which the standard rent, without the additional percentage allowed to landlords, did not exceed Rs. 20 a month. The operation of these Acts was subsequently extended by Bombay Act III of 1923 up to the 31st August, 1924, in the municipal district and cantonment of Karachi, and in other places in which the Act was in operation up to the 31st December, 1925, as regards dwelling-houses, and up to the 31st August, 1924, as regards other premises. The Acts ceased to be in operation as regards other premises both in Karachi and elsewhere on the 31st August, 1924; but by Bombay Act III of 1924 they were extended in respect of premises used as dwelling-houses in the municipal district and cantonment of Karachi also up to the 31st December, 1925. Thus the operation of both Acts will expire in Karachi and elsewhere on the 31st December, 1925.

It has, however, been ascertained after careful inquiry that, though there has been a fall in the rent of residential premises with a higher rental, there has been little or no fall in the rent of residential premises with a lower rental, and that the want of accommodation in the case of the latter class of premises is still very keenly felt. It is, therefore, considered necessary to extend the protection of the Acts for three years in the case of residential premises of which the standard rent without additional percentage allowed to landlords does not exceed Rs. 50 in the case of Karachi, and does not exceed Rs. 85 in the case of any other area in which the Act is in operation. At the same time it is equitable that the landlords should receive an adequate return for their capital, taking into consideration the changes that have taken place in the economic conditions since the Acts were passed; and provision has therefore been made for a sliding scale of increases which will enable the landlords to secure a total increase of rent, ranging from 20 per cent. to 60 per cent. beyond the above-mentioned standard rent. As indicated above, the operation of the Acts has already expired in the case of non-residential premises, and no change is proposed in respect of such premises. The Bill deals with both the original Acts of 1918.

Notes on specific clauses of the Bill requiring explanation are given below :—

Notes on clauses.

Clauses 2 *and* 6.—Difficulty has arisen in connection with the words "used as a dwelling-house ;" the words "used wholly or principally as a dwelling-house" have therefore been inserted in the Bill.

Clause 3.—As the Act is being extended for a further period of three years, it is equitable that landlords should be allowed a somewhat higher percentage of increase than that allowed by the existing Act. Schedule A is therefore substituted for the present schedule to Bombay Act II of 1918, allowing a percentage up to a maximum of 50 as compared with 33⅓ in the present Act. It is also equitable to allow landlords a percentage of increase in respect of premises coming under sub-clauses (*ii*) and (*iii*) of Section 2 (1) (*a*) of Bombay Act II of 1918 similar to that allowed in respect of premises coming under sub-clause (*i*) of the said section.

Clause 4 (1).—This clause extends the provisions of Section 9 (3) to sub-leases which took place before 21st August, 1922. There is no reason to make an exception in favour of tenants who sublet their premises before 21st August, 1922. The words "or any part thereof" have been inserted to deal with an evasion of the provisions of the Act.

Clause 4 (2).—New Section 9 (4) provides that when a tenant obtains accommodation by reason of his being in the employment of his landlord he shall not continue to occupy the premises without the consent of his landlord if his employment terminates. There are cases in which housing accommodation is provided by the employers for their employees and the employee refuses to vacate the premises even after his employment has terminated.

Clauses 4 (2) and 8.—Provision has also been made excluding from the protection of the Acts those tenants who occupy premises which are in a ruinous condition or are likely to fall and are a source of danger. Cases have occurred in Bombay City in which tenants in occupation of such premises have refused to vacate them when called upon to do so, and unnecessary delay occurred before they could be ejected by resort to the courts. In the interest of the tenants themselves and of their neighbours it is desirable that in such cases the tenants should be made to vacate the premises immediately, in order to enable the premises to be demolished or put in order, as the case may be.

Clause 7.—Certain petty premises are left by the tenants unoccupied for long periods, no rent being paid. It is desirable that the landlords should have power to open and take possession of such premises.

13*th January*, 1925. COWASJI JEHANGIR (Jr.)

No. 533/74 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *7th April*, 1925.

To

THE CHAIRMAN AND MEMBERS OF THE SELECT COMMITTEE APPOINTED TO CONSIDER BILL NO. I OF 1925 OF THE BOMBAY LEGISLATIVE COUNCIL BEING A BILL FURTHER TO AMEND THE BOMBAY RENT (WAR RESTRICTIONS) ACT, 1918, AND THE BOMBAY RENT (WAR RESTRICTIONS NO. 2) ACT, 1918.

The Representation of the Bombay Millowners' Association.

GENTLEMEN,

The Bombay Millowners' Association (hereinafter referred to as "the Association") is, as you are no doubt aware, representative of practically the entire textile industry in Bombay.

2. The Association has been furnished with a copy of the above Bill No. I of 1925, and assumes that the Select Committee appointed to consider the Bill is not only willing to consider but invites for consideration representations from either body (Landlord or Tenant) regarding the provisions of the Bill.

3. The Association represents a very large body of employers and housers of labour. and submits with the greatest respect that its representationis entitled to every consideration at the hands of the Select Committee.

4. The Association is entirely in accord with the provisions of the Bill so far as they go, but submits that in one material respect, those provisions do not go far enough Reference is made to the proposed addition by clause 4 (2) of the Bill of sub-section (4) to Section 9 of the Principal Act. The addition is as follows :—

> " (4) the fact that a tenant who entered into possession of any premises by reason of his being *bona fide* in the employment of his landlord has ceased to be in his employment shall be deemed to be a satisfactory cause within the meaning of sub-section (2)."

5. The new Section 9 (4) will no doubt enable employers of labour to maintain control of the housing accommodation which they have provided for their employees by ensuring that such accommodation is confined to their employees, but the Association submits that such control, while remedying a long-felt grievance, is insufficient, and that the only fair and equitable way of dealing with chawls erected by employers of labour to house that labour is to exempt altogether chawls so erected from the provisions of the Rent Acts.

6. In support of this submission the Association would remind the members of the Select Committee that a number of millowners, acting upon the suggestion, or possibly in deference to the wishes, of the Governor-in-Council, that millowners should construct chawls to house their own labour, did in fact construct or commence to construct chawls for their workmen so far back as 1915, in some cases with the assistance of the City of Bombay Improvement Trust Board in pursuance of the provisions of Section 32 B to I of the Improvement Trust Act, 1898, as amended by Bombay Act I of 1913 which sanctioned the framing of schemes for the construction of dwellings for the poorer classes, and in some cases without such assistance.

7. In the years 1915, 1916 and 1917 labour in Bombay was difficult to obtain and with a view to attract labour, those millowners who constructed chawls for housing their employees, offered the rooms at ridiculously low rents, and in many cases as much as 50 per cent. below the economic rent, so that the chawls represented an annual loss to the mills concerned. Cases can be cited in which the maximum rent sanctioned by the Improvement Trust Board under a Poorer Classes Accommodation Scheme was Rs. 8 per room per month whereas the rooms were actually let to employees of the millowner concerned at an average rent of Rs. 3 per room per month.

8. In this connection it must be borne in mind that in 1915, 1916 and 1917 the Rent Act had not been introduced and was not in fact even contemplated. As a result of the introduction of the Rent Actsin 1918 and the relation back to the 1st January, 1916, to fix the standard rent, millowners have been forced to continue to let the rooms in their chawls at the originally low rents, and to make an annual loss of some thousands of rupees in respect thereof.

9. It is true that under the provisions of the Bombay Rent (War Restrictions No. 2) Act, 1918, it is possible to approach the Rent Controller with a view to his declaring rooms in chawls to be small premises and fixing or raising the standard rent thereof, but the procedure is somewhat cumbersome and the decision of the Rent Controller is liable to be over-ruled by the Rent Committee, with the result that resort is not ordinarily had to that procedure.

10. The Association further submits that millowners having at the instance of Government erected at considerable expense to themselves, dwellings, for the poorer classes

in their employ, should be permitted to manage and control such dwellings free of any interference by Government. It has never been the wish or desire of the millowners to make a profit out of these dwellings and even if such dwellings were freed from rent control there is no likelihood of the millowners endeavouring to make a profit out of what they have regarded as their obligations as employers of labour.

11. Even assuming that chawls erected by employers to house their employees were totally exempted from the provisions of the Rent Acts as now suggested, even so millowners could not hope, and would not in fact expect to be able to recover an economic rent for the rooms in view of the number of chawls erected by the Development Department which are at present unoccupied for want of tenants. Any attempt on the part of the millowners to raise the rent of the rooms in their own chawls beyond a reasonable figure could only tend to drive their employees into the chawls of the Development Department. The existence of the chawls of the Development Department in close proximity to the chawls of the millowners, and subsidised as they are by the town duties on cotton levied from millowners and paid to the Municipality for the sole purpose of reducing the rent of the Development Department chawls to a figure within the means of the average mill-worker would operate as a most effective check on any profiteering or excessive levying of rent by millowners at the expense of their employees.

12. The Association therefore submits that the evils, which the introduction of the Rent Acts was designed to remedy or obviate, are effectively remedied or obviated in the case of chawls erected by millowners to house their own employees by the existence of the chawls of the Development Department and also of the Improvement Trust; whereby the supplly of dwelling houses for the poorer classes is far in excess of the present demand and is likely to remain so for the proposed extended period of the Rent Acts and that it is only just and equitable that millowners who erected, or entertained and carried out the erection of chawls at considerable expense to meet the wishes or suggestions of the Governor-in-Council, before the introduction of a Rent Act was even contemplated, should be given an opportunity, by the total exemption of such chawls from the operation of the Rent Acts, to end an hitherto annual loss on their capital outlay;

13. The Association, therefore, would respectfully urge upon the Select Committee an amendment of Bill No. I of 1925 so as to totally exclude from the further operation of the Rent Acts after the 31st December, 1925, chawls or dwelling houses erected by employers for the housing of their own employees.—We have, etc.;

N. N. WADIA,
Chairman;

J. P. WADIA,
Acting Secretary.

APPENDIX 27.

PROPOSED LEVY OF FEES FOR THE SERVICE OF ELECTRICAL INSPECTORS.

PUBLIC WORKS DEPARTMENT,

BOMBAY CASTLE, *9th May*, 1925.

No. 940-I.—The following draft of an order regarding the levy of fees for the services of the Electrical Inspectors which the Governor in Council proposes under Rule 5 (2) of the Indian Electricity Rules, 1922, to issue is published for the information of persons likely to be affected thereby, and notice is given that the draft order will be taken into consideration after the expiry of two months from the date of this notification. Any objection or

suggestion with respect to the draft order which may be sent to the Joint Secretary to the Government of Bombay, Public Works Department, before the expiry of the period aforesaid will be considered by the Governor in Council :—

DRAFT ORDER.

"In exercise of the powers conferred by Rule 5 (2) of the Indian Electricity Rules, 1922, and of all other powers enabling him in this behalf, the Governor in Council is pleased to direct by this order that fees for testing and inspection and generally for the services of electric inspectors under the Indian Electricity Act, 1910 (IX of 1910), shall be levied in accordance with the following rules, namely :—

1. *Levy of fees.*—The fees leviable under this order shall be levied in accordance with the scale of fees hereinafter mentioned; Provided that if there shall be more than one inspection, examination or test in any period of twelve calendar months, only one fee shall be levied during that period:

Provided further that if during the said period of twelve months any subsequent inspection or test shall, in the opinion of an electric inspector, have become necessary in any case owing to the neglect or failure of the licensee or owner to carry out within a reasonable time any written instructions of the electric inspector for any alteration in any generating station, receiving station, or tramway system or in any installation, appliance or apparatus previously inspected, the fee for a second inspection during any such period shall be one-fourth of the fees hereinafter prescribed therefor and for a third inspection one-half of such fees.

Explanation.—In this order 'owner' means the owner or occupier of any building, place, carriage or vessel in which electrical energy is generated, received, or used or is about to be generated, received or used.

Scale of Fees.

A.—For any inspection, examination or test in pursuance of Rule 4 and Rules 51 to 57 of the said rules where energy is or is about to be supplied or used at high and medium pressure except in those cases to which the items B to H specifically refer, namely :—

Capacity.	Fee.
1 to 5 Kilowatts	Re. 1 to Rs. 5 according to the number of Kilowatts.
5 to 20 Kilowatts	Rs. 7-8.
20 to 50 Kilowatts	Rs. 10.
50 to 100 Kilowatts	Rs. 20.
100 to 500 Kilowatts	Rs. 150.
500 to 1,000 Kilowatts	Rs. 250.
Above 1,000 Kilowatts	Rs. 350.

The fee shall be paid by the owner to whom the electrical energy is or is about to be supplied.

B.—For the inspection, examination or test of any generating station or other place in which electrical energy is generated and of any receiving station :—

Capacity.	Fee. Rs.
1 to 50 Kilowatts	25.
50 to 250 Kilowatts	50.
250 to 500 Kilowatts	150.
500 to 1,000 Kilowatts	250.
1,000 to 5,000 Kilowatts	350.
Above 5,000 Kilowatts	500.

In the case of a generating station or other place in which electrical energy is generated the fee shall be paid by the licensee or other person generating electrical energy. In the case of a receiving station, the fee shall be paid by the owner.

C.—For the inspection, examination or test of any electrical installation, appliances or apparatus in any place or premises used or intended to be used for a theatre or for a cinematograph exhibition or for a public entertainment or amusement or any other public place :—

	Rs.
(*i*) for the initial inspection, examination or test	200
(*ii*) for any inspection, examination or test in any subsequent period of twelve calendar months	100

D.—For the inspection, examination or test of any electrical installation, appliances or apparatus in any factory within the meaning of the Indian Factories Act, 1911 (XII of 1911):—

(*i*) In any factory in which there is any installation, appliance or apparatus for lighting or for purposes other than power, whether electrical energy is supplied by a licensee or other person or generated in the premises of the factory.	Rs. 100.
(*ii*) In any factory supplied with electrical energy by a licensee for power.	The fee leviable under *A* above,
(*iii*) In any factory in which electrical energy is generated in the premises of the factory for power.	Seventy-five per cent. of the combined fees in *A* and *B* above according to the number of Kilowatts.

The fees shall be paid by the owner, and the fee for the inspection of any installation, appliance or apparatus for lighting in any factory shall be in addition to the fee for the inspection of any installation, appliances or apparatus for power in such factory.

E.—For the inspection, examination or test of the electrical appliances or apparatus in any lifts worked by electrical energy.	Rs. 15.

The fee shall be paid by the owner.

F.—For the inspection and examination of any electric traction system including trolly wires and overhead equipment and tests of bounding and leakage currents.	Rs. 100 per day with a minimum fee of Rs. 150.

The fee shall be paid by the licensee or the owner of the electric traction system.

G.—For the inspection of any temporary electrical illuminations.	Rs. 15.

The fee shall be paid by the owner.

H.—For the inspection, examination or test of any main, distributing main or service-line for the existence of leakage therefrom which may result in electrolysis or any other injury, to any water gas or other pipes or any appliances in connection therewith.	Per hour according to the time occupied but not less than Rs. 30.

If leakage is discovered in any such main or service-line, the fee shall be paid by the licensee or the owner of the main or service-line. If leakage is not discovered, the fee shall be paid by the owner of any such water, gas or other pipes or of the appliances in connection therewith.

2. *Fees for inspection, etc., to whom to be paid.*—The fees leviable under this order for inspection, examinations or tests under Rule 4 of the said rules shall, unless otherwise specified, be paid to the electric inspector by every licensee or every other person, firm, or company generating, supplying, transmitting, receiving or using electric energy."—By order of the Governor in Council,

K. S. FRAMJI,
Joint Secretary to Government.

BOMBAY CASTLE, *9th May*, 1925.

No. 940-II.—The following draft of a notification regarding the levy of fees for tests, etc., carried out at the Government Electrical Laboratory, Bombay, which the Government of Bombay propose to issue is published for the information of persons likely to be affected thereby, and notice is given that the draft notification will be taken into consideration after the expiry of two months from the date of this notification. Any objection or suggestion with respect to the draft notification which may be sent to the Joint Secretary to the Government of Bombay, Public Works Department, before the expiry of the period aforesaid will be considered by the Government of Bombay :—

DRAFT NOTIFICATION.

"It is notified for general information that the Government Electrical Laboratory, Bombay, in the charge of the Electrical Engineer to Government is prepared to undertake any sort of electrical testing, etc., for the public on payment of fees in accordance with the scale of fees laid down below which shall, if required, be payable in advance :—

Laboratory Tests, etc.—

Note.—No charge to be made for preparing the estimate of the cost and all articles to be delivered at and removed from the Laboratory free of cost to Government.

	Rs.
For testing at 3 points—	
Volt Meters—	
Any range	5
Ammeters—	
Not exceeding 100 amperes	5
Exceeding 100 amperes but not exceeding 500 amperes	8
Exceeding 500 amperes	12
Wattmeters—	
Any voltage but current up to 100 amperes	10
Any voltage but current exceeding 100 amperes but not exceeding 500 amperes	15
Any voltage and current over 500 amperes	20
Frequency Meters	5

Power Factor Meters—

Current capacity up to 5 amperes	5
Exceeding 5 but not exceeding 10 amperes	8
Exceeding 100 but not exceeding 500 amperes	12

Combination instruments to be regarded as two separate instruments and to be charged for accordingly.

Meters for multiple circuits to be charged for according to the number of circuits.

Energy Meters (D. C. or A. C. single phase with or without shunt coils)—

	Rs.
Current capacity up to 25 amperes	10
Exceeding 25 amperes but not exceeding 200 amperes	15
Exceeding 200 amperes but not exceeding 500 amperes	20
Exceeding 500 amperes	25

Energy Meters (A. C. two phase or three phase)—

Current capacity up to 25 amperes	15
Exceeding 25 amperes but not exceeding 200 amperes	20
Exceeding 200 amperes but not exceeding 500 amperes	25
Exceeding 500 amperes	30
For each point tested beyond three points in any energy meter	4
For each point beyond three tested points in any direct reading instrument	2
In the case of any direct reading instrument if arranged to record and if such record is required to be verified, extra fee for every record verified	5

For testing and submitting a calibration curve—

Volt Meters—

Any range	20

Ammeters—

Not exceeding 100 amperes	20
Exceeding 100 amperes but not exceeding 500 amperes	30
Exceeding 500 amperes	40

Wattmeters—

Any voltage but current not exceeding 100 amperes	30
Any voltage but current not exceeding 500 amperes but exceeding 100 amperes	40
Any voltage but current exceeding 500 amperes	50

Meggers or Ohmmeters	20

Combination sets—

Each section to be considered as a separate meter and charged for accordingly. Meters for mutiple circuits to be charged for according to the number of circuits.

Energy Meters (D. C. or A. C. single phase with or without shunt coils)—

	Rs.
Current capacity up to 25 amperes	25
Exceeding 25 amperes but not exceeding 200 amperes	35
Exceeding 200 amperes but not exceeding 500 amperes	45
Exceeding 500 amperes	60

Energy Meters (A. C. two phase or three phase)—

Current capacity up to 25 amperes	35
Exceeding 25 amperes but not exceeding 200 amperes	45
Exceeding 200 amperes but not exceeding 500 amperes	55
Exceeding 500 amperes	70

Batches of meters of the same capacity, design and make, if sent in lots of not less than five, for each lot of five only four meters to be charged for. If energy meters require to be adjusted before test or calibration an extra fee of Rs. 10 per meter to be charged.

Resistances—

	Rs.
For any resistance tested to an accuracy of 0.1 per cent	5
For any resistance tested to the highest accuracy obtainable at one temperature	20

Disputed Energy Meters—

For testing a single meter of any description in the Laboratory up to 50 amperes capacity.	10
Exceeding 50 amperes but not exceeding 200 amperes	15
Exceeding 200 amperes but not exceeding 500 amperes	20
Exceeding 500 amperes	25

If the disputed meter is to be tested on a consumer's premises the above fees to be increased by Rs. 5 each.

Where a record or pressure is taken on a consumer's premises a fee of Rs. 20 for the first 24 hours and a further fee of Rs. 10 for each subsequent 24 hours during which the consumer desires the record to be taken.

Sub-standards—

	Rs.
For an instrument intended to be used as a sub-standard and submitted for special examination and testing	100
If intended to be kept under observation for a period longer than one month, for each additional month or part of of a month	50

Any tests other than those scheduled above to be arranged for specially and the fees to be quoted on application."—By order of the Government of Bombay,

K. S. FRAMJI,
Secretary to Government.

No. 803/109 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *7th July*, 1925.

THE JOINT SECRETARY TO THE GOVERNMENT OF BOMBAY,
PUBLIC WORKS DEPARTMENT, BOMBAY.

SIR,

With reference to Government Notifications Nos. 940-I and 940-II, dated 9th May, 1925, in connection with the fees proposed to be levied for services of electrical inspectors and for tests, etc., carried out at the Government Electrical Laboratory, I have the honour to request that Government may be pleased to postpone consideration of the matter till the end of this month.

2. The question of the fees proposed to be levied for electrical inspection vitally affects this Association, and my Committee are collecting certain particulars in connection therewith. It is much regretted that it will not be possible for my Committee to submit their views within the specified time, *viz.*, 9th July, 1925, and therefore my Committee respectfully request that Government may be pleased to extend the time till 31st July, 1925.—I have, etc.,

J. P. WADIA,
Acting Secretary.

No. 940-M.

PUBLIC WORKS DEPARTMENT,
PUBLIC WORKS OFFICE,
BOMBAY, 10*th July*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT :—*Fees for the Services of Electrical Inspectors, etc.*

SIR,

In reply to your letter No. 803/109, dated 7th July, 1925, I am directed by the Governor in Council to inform you that Government are pleased to extend the time within which you may submit your views on the subject till 31st July, 1925.—Yours faithfully,

E. M. DUGGAN,
Under-Secretary to the Government of Bombay,
Public Works Department.

No. 916/109 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 31*st July*, 1925.

THE JOINT SECRETARY TO THE GOVERNMENT OF BOMBAY,
PUBLIC WORKS DEPARTMENT, BOMBAY.

SIR,

By instructions of my Committee, I have the honour to address you on the draft order No. 940-I regarding the levy of fees for the services of Electrical Inspectors, published in the *Bombay Government Gazette* dated 14th May, 1925. At the outset I am to convey my Committee's thanks to His Excellency the Governor in Council for having agreed to postpone consideration of the draft order till 31st July, 1925, in accordance with the request made in the Association's letter No. 803/109 dated 7th July, 1925.

2. In the first place, before examining the draft order on its own merits, my Committee desire me to state that it is a matter of great regret to them that at a time when the mill industry is face to face with a crisis of unparalleled gravity and when this Association has been persistently demanding for the industry some relief from the Imperial and Provincial Governments, the Government of Bombay should have thought fit to bring forward this proposal for a further increase in the heavy burdens already imposed upon the industry by the Imperial and Provincial Governments and by the Municipality. My Committee desire to impress upon Government with all the emphasis at their command that the mill industry is now taxed to its farthest limits, and it would be suicidal to increase the burdens upon this great and important industry at a time when every possible assistance and relief should be forthcoming from Government to resuscitate the industry from its present state of unparalleled depression.

3. Apart from the fact that the present is certainly not the opportune moment for Government to propose the imposition of fresh charges upon the industry, my Committee after a very careful consideration of the draft order under reference are unanimously of the opinion that not only are the proposed charges for electrical inspection exorbitant, but there is no justification for the levy of these charges by Government.

4. Government are no doubt aware that inspection of electrical installations in mills and other factories is carried on by Electrical Inspectors of the Bombay Fire Insurance Association, and mills have to pay certain fees to the Fire Insurance Association in connection with these inspections. As recently as 1921, these fees were substantially increased by the

Fire Insurance Association. It will be readily agreed that the inspection carried on by the Inspectors of the Fire Insurance Association is, as a rule, extremely thorough and minute; and in view of this my Committee are unanimously of the opinion that inspection by Government Inspectors is supererogatory and may be safely done away with. Moreover, so far as my Committee are aware, Government Inspectors very often make a mere cursory inspection of electrical installations when they come to know that particular installations were only recently examined by the Inspectors of the Fire Insurance Association.

5. From the scale of fees it appears that the charge for the inspection of installations having medium or high pressure about 1000 K.W. capacity is proposed to be Rs. 350. The total horse-power of most mills in Bombay exceeds this figure and therefore mills will have to pay the above heavy fees plus Rs. 100 for inspection of the lighting installation. These figures are undoubtedly exorbitant, in comparison with the charges made by the Fire Insurance Association.

6. My Committee hope they have made it sufficiently clear in this letter that there is no justification for these new charges, but if Government still maintain that Government should be paid for these inspections, then my Committee would suggest that mills and other like concerns which already pay heavy fees to the Fire Insurance Association for the same purpose should be exempted from paying additional fees to Government. My Committee trust Government will recognise the justice of the plea put forward in this letter and will modify the draft order accordingly.—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 28.

INDIAN ELECTRICITY RULES.

PUBLIC WORKS DEPARTMENT,
BOMBAY CASTLE, *1st September*, 1925.

No. 1898.—The following notification by the Government of India, Department of Industries and Labour, is republished :—

" *No. G. (Elec.)-1, dated Simla, the 13th August*, 1925.

The following draft of further amendments to the Indian Electricity Rules, 1922, which it is proposed to make in exercise of the powers conferred by Section 37 of the Indian Electricity Act, 1910 (IX of 1910), is published as required by Section 38 of the said Act, for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 25th November, 1925.

Any objection or suggestion which may be received from any person in respect of the draft before the date specified will be considered by the Governor-General in Council.

Draft Amendments.

1. After Rule 40 of the said Rules the following heading and rule shall be inserted, namely :—

' *Precautions to be adopted by consumers.*

40.-A. (1) No electrical installation work, including additions, repairs and adjustments to existing installations, upon the premises of or on behalf of any consumer for the purposes of a supply of energy to such consumer, shall be carried out except by or under the direct supervision of a person holding a certificate of competency issued by the Local Government in accordance with rules made by the Local Government for the grant and cancellation of such certificates.

(2) This rule shall come into force in any province or part thereof on such date as the Local Government may, by notification in the local official Gazette, appoint.'

2. After Rule 106 the following rule shall be inserted, namely :—

'106-A.—Consumers shall be responsible for the observance of Rule 40-A and for every breach of that rule the consumer upon whose premises or on whose behalf the installation work was carried out shall be punishable with fine which may extend to three hundred rupees and in the case of a continuing breach with a further fine which may extend to fifty rupees for every day after the first during which he is convicted of having persisted in the breach.'

(*Sd.*) A. A. L. PARSONS,
Secretary to the Government of India.

By order of His Excellency the Right Honourable the Governor in Council,
K. S. FRAMJI,
Joint Secretary to Government.

No. 1161/134 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *6th October*, 1925.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF INDUSTRIES AND LABOUR, SIMLA.

SIR,

I am directed by the Committee of this Association to address you on Government Notification No. G9 (Elec.)-1, dated the 13th August, 1925, regarding certain amendments proposed to be made in the Indian Electricity Rules.

2. My Committee approve of the amendments as far as they apply to additions, repairs and adjustments of a major nature. In my Committee's opinion, however, the proposed amendment if made applicable to slight repairs, etc., will cause serious inconvenience to the general public. It could not have been the intention of Government that slight repairs such as renewing a bulb, screwing up a ceiling-rose, making a new connection to a lamp in case of short circuit, etc., should be carried out by a certified electrician. My Committee trust Government will be pleased to make the requisite alterations in the proposed amendments so as to render them applicable only to major installations and repairs.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 29.

DRAFT AMENDMENTS OF CURRENCY NOTES (REFUND) RULES.

No. F/20-XI-F.

GOVERNMENT OF INDIA,
FINANCE DEPARTMENT,
SIMLA, *15th October*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to forward for the information of your Association a copy of this Department Resolution No. F. 20-XI-F., dated the 15th October, 1925, on the subject of the amendments of the Currency Notes (Refund) Rules published in the *Gazette of India* under Notification No. 3201-F., dated the 24th November, 1921.—I have, etc.,

A. AYANGAR,
Offg. Assistant Secretary to the Government of India.

FINANCE DEPARTMENT,
SIMLA, 15*th October*, 1925.

RESOLUTION.

No. F./20-XI-F.—It is proposed to make the following amendments in the Currency Notes (Refund) Rules, 1921, in exercise of the powers conferred by Section 29 of the Indian Paper Currency Act, 1923 (X of 1923). The amendments will not come into force before the 1st April, 1927, and any objections made before the 31st March, 1926, will be taken into consideration.

2. The object of the proposed amendments is to discourage the cutting of notes. This practice has been proved by the repeated experience of the Currency Department to lend itself to the commission of fraud. The examination of divided notes also entails the expense of much time and care in the offices of the Department and consequent delay in encashment, and inconvenience to the public. Such delay can, of course, be minimised by the appointment of larger establishments than would otherwise be necessary, but the additional cost to the taxpayer of such establishments is heavy and the difficulties of dealing with divided notes has increased considerably with the expansion of the note circulation and is now a distinct impediment to the smooth administration of the currency note system. It seems desirable, therefore, to take steps to discourage the practice which if not actually prohibited in other countries, is only recognised tacitly, because it has not reached elsewhere the dimensions prevailing in India ; and, though there are objections of a temporary nature to a change of system in this respect, it is thought that the time has come when these temporary difficulties should be faced. It is recognised, however, that any procedure to be adopted with this end in view must be considerate and cautious and the amendments proposed are framed on conservative lines. The only two changes of importance in the Refund Rules are the following :—

(*a*) No claims on half or mismatched notes of the denominations of Rs. 5 and Rs. 10 will be admitted, *i.e.*, the possession of a half note of one of these denominations will no longer constitute a claim to payment of the full value of the note, although cut notes properly joined together will be paid as hitherto, and claims on mutilated notes will be admitted if the portion presented is clearly more than half the note and the note can be identified by the enquiring officer as genuine.

(*b*) On half notes oft he denominations of Rs. 50 and upwards half the value of the note will be paid at a Currency Office fourteen working days after its presentation, provided that in the meantime the counterpart has not been presented with a claim to the full value of the note. On the other hand, claims to full value on a note of which only a half is presented will be dealt with in the same way as claims on lost or wholly destroyed notes, and claimants will not obtain payment till after the lapse of 5 or 6 years instead of obtaining payment after the lapse of a period varying from six months to a year. In short, the effect of this change is to make it easier for the public to obtain half value on a half note, but to make it more difficult for them to obtain full value on a half note. It will, therefore, increase the risk of cutting notes.

3. The main objection which may be urged against the proposed amendments is that they would increase the risk of remittance of notes by post. In view of the facilities for cheap remittance which are now given by Government and the Imperial Bank by means of bank transfers, currency transfers, money orders and postal insurance of notes up to the value of Rs. 2,000, it does not appear that the public would be seriously inconvenienced if notes were never cut for remittance by post. But the amendments proposed in the rules will not absolutely prevent the cutting of notes for remittance by post : they will merely increase the risk of doing so, and it will be open to the public to take this risk if they wish to do so, or to insure against it.

DRAFT AMENDMENT OF CURRENCY NOTES REFUND RULES.

Rule 2.—Substitute the following for Rule 2 (*g*) :—

" A mutilated note means a note of which a portion is missing, provided that the portion presented is clearly more than half of the note, and that if the portion presented has been joined, each part of such portion is identifiable as part of the same note."

Rule 3—For Rule 3 (1) as substituted by the G.I., F.D. Notification $\frac{\text{Accounts and Finance}}{\text{Paper Currency}}$ No. 2252-F., dated the 7th November, 1922, substitute the following:—

"Claims in respect of notes of which the denomination does not exceed ten rupees may be presented at any office of issue and shall be dealt with at the office of issue at which they are presented."

Delete Rule 3 (2) as inserted by the above notification and re-number the present Rules 3 (3) and 3 (4) as Rules 3 (2) and 3 (3).

Rule 5.—Substitute "ten rupees" for "two and a half rupees" at the end of sub-rule (2).

Insert the following as Rule 6A:—

"6A. Claims to the value of a half note shall be rejected unless the number of the note is identified by the enquiring officer on the half note; and the half note is entire and has not been divided and joined together."

In Rule 7 delete from the words "unless the portion presented" to the end and substitute "unless in the opinion of the enquiring officer the portion presented clearly forms part of a genuine note and the missing portion is too small to be used in support of any other claim under these rules."

In Rule 9 insert the words "of a denomination exceeding ten rupees" after "mutilated note."

Rule 11.—Substitute the following for Rule 11:—

"(1) Claims to the half value of a note of which half only is presented by the claimant shall be dealt with as follows:—

(*a*) If a counterclaim to the full value of the note has not been received before the presentation of the claim or within fourteen working days thereafter half the value of the note may be paid to the claimant on the expiration of such fourteen days.

(*b*) If full value of the note has already been paid on a claim under Rule 14, the claim shall be rejected.

(*c*) If a counterclaim to the full value of the note has been received before the presentation of the claim or is received before payment of half the value of the note in accordance with clause (*a*), the enquiring officer shall consider both claims together and may order that one claimant be paid forthwith the full value of the note, or that both claimants be paid forthwith half the value of the note or may reject both claims."

(2) Claims in respect of a mismatched note shall be deemed to be separate claims in respect of each half thereof, and shall be dealt with as provided in sub-rule 1.

Rule 13.—Insert the words "or of which the portion presented is neither a half note nor a mutilated note" after the words "wholly destroyed" in Rule 13 (1) (*b*).

Rule 14.—Substitute the following for Rule 14:—

"14. If the enquiry has been made in respect of a claim under Rule 13 (1) (*a*), the Deputy Controller on receipt of the record from the enquiring officer, or the enquiring officer, if empowered under the proviso to Rule 6 (*a*), may pass orders as follows:—

(1) If the counterpart has been presented and half the value of the note has been paid under Rule 13, he may order half the value of the note to be paid forthwith ;

(2) If the counterpart has been presented with a claim to half the value or the full value of the note and that claim is pending, he shall consider the two claims together and may order that one claimant be paid forthwith the full value of the note, or that both claimants be paid forthwith half the value of the note, or may reject both claims."

(3) If the counterpart has not been presented,

(*a*) if he is not satisfied that the counterpart has been lost or destroyed in such circumstances that there is no probability of its being presented at some future date, he may order payment of half the value of the note forthwith ;

(*b*) if after considering the record of the enquiry under sub-rule (2) of Rule 13 he is so satisfied, and is satisfied that the claimant was the last lawful holder of the whole note, he shall cause to be published in the *Gazette of India* and in three successive issues of the local official Gazette, a notification stating the particulars of the note of which one half is alleged to have been lost or destroyed, and the name of the claimant, and calling upon any person having a claim in respect of such note to submit the same forthwith ;

(*c*) if, on the expiration of two years from the date of the first publication under the sub-clause (*b*), the counterpart of the half note has not been presented, the Deputy Controller may order an amount equivalent to the full value of the note to be invested in Government securities, or to be deposited in the Post Office Savings Bank ;

(*d*) if, on the expiration of a period which shall be determined by the Deputy Controller, but which, unless the Governor-General in Council otherwise directs, shall not be less than five years after such first publication, the counterpart of the half note has not been presented, the Deputy Controller shall order the securities referred to in sub-clause (*c*), or the deposit in the Post Office Savings Bank, as the case may be, with the interest which has in the meantime accumulated thereon, to be delivered to the claimant, or, if the claimant is dead, to his legal representative, on a bond, with or without sureties, executed in the form set forth in Schedule I or II ;

(*e*) if, prior to the expiration of such period, the counterpart is presented with a claim to the full value or half the value of the note, the proceedings under sub-clauses (*b*) to (*d*) shall be cancelled and the two claims shall be dealt with under clause (2)."

List of Schedules.

Substitute " Rule 14 (3) (*d*) " for " the proviso to Rule 14 (*c*) " in entries under Schedules I and II.

Schedule I.

For "lost" at the end of the second paragraph substitute "wholly destroyed" / lost.

Schedule II.

For "lost" at the end of the second paragraph substitute "wholly destroyed" / lost.

No. 1419/148 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *8th December*, 1925.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE DEPARTMENT, DELHI.

SIR,

I have the honour under directions of my Committee to address you on Government Resolution No. F/20-XI-F. dated 15th October, 1925, in connection with the proposed amendments of Currency Notes Refund Rules.

2. My Committee note that the object of the proposed amendments is to discourage the cutting of notes, which practice, in Government's opinion, lends itself to the commission of fraud. It is also stated in the Resolution that in view of the facilities for cheap remittance which are given by Government and the Imperial Bank, by means of bank transfers currency transfers, money orders and postal insurance of notes to the value of Rs. 2,000 the proposed amendment will not seriously inconvenience the public.

3. I am directed to point out that the general public have a decided preference for making remittances by currency notes rather than by the other procedures mentioned by Government. The reasons are not far to seek. Bank facilities are not available everywhere, and besides the rates for money orders and the commission charged for bank drafts, etc., make it difficult for the general public to avail themselves of these facilities and lead them to remit money by currency notes cut into halves. It is my Committee's considered opinion that the rates for money orders should be substantially reduced so as to make this system of remitting money more popular among the general public. My Committee have little doubt that a reduction in the rates for money orders will in the long run bring in larger revenues to Government by increasing the number of money orders.

4. In my Committee's opinion, the proposed innovations in the most popular system of making remittances will not be received favourably by the small remitters unless Government first popularise the money order system by effecting reductions in the existing rates.

5. As stated above, bank facilities are not available everywhere and when hundies cannot be obtained, merchants have to send currency notes. The post office will not accept any insurance for over Rs. 2,000 and when remittance of, say, Rs. 5,000 has to be made the sender will have to make three insured packets. This will seriously inconvenience the receiver who has to take delivery from the post office.

6. In my Committee's opinion, the best course for Government to adopt is to make the new rules applicable only in the case of currency notes of lower denominations than Rs. 100, and even that only after the existing rates for money orders are sufficiently reduced so as to make the small remitter favourably inclined towards this system of remitting money.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 30 (B).

WATER TAX.

THE CENTURY SPINNING & MANUFACTURING CO., LTD.,
BOMBAY, *21st November*, 1924.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Will you kindly bring to the notice of the Committee the proposed raising of the water tax to mills by the Bombay Municipality from 12 annas to 16 without making any corresponding rise in the rated tax for water on other consumers. This is entirely opposed to the

spirit of any Municipal taxation and equity in law. Also it is against the Municipal Act wherein it is distinctly laid down that no more charge for water shall be levied than the cost-price thereof. I think our solicitors should be consulted in the first instance and asked to draw a strong remonstrance against monstrous method of taxing Peter at the expense of Paul and I suggest early steps be taken in regard to this very urgent matter.—Yours faithfully,

For *The Century Spinning and Manufacturing Co., Ltd.*,

C. N. WADIA,
Agents.

THE BOMBAY DYEING & MANUFACTURING CO., LTD.,
BOMBAY, *22nd December*, 1924.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re: Increase of Water Tax by the Bombay Municipal Corporation.

The Century Spinning and Manufacturing Co., Ltd., wrote a letter to our Committee a few days ago regarding the resolution passed by the Standing Committee to increase the water rate charged to the mills from 12 annas to 16 annas per 1,000 gallons, while they have kept the water rate on the house property (in spite of the recommendation of the Municipal Commissioner to be raised to 4¼ per cent.) at only 3¾ per cent., and it was suggested that we should enter an emphatic protest in the matter.

The Committee at the last meeting discussed this question and resolved to advise our representative on the Bombay Municipal Corporation, Mr. Mody, to raise a debate on this question at the Corporation meeting. But it is absolutely necessary that full facts and particulars should be given to him if we are to succeed in the protest we want to enter from our Association. The following facts will therefore be of use :—

Up to the year 1917 the rate charged was ..	.. 0 8 0	per 1,000 gallons.
From the year 1918 it was reduced to ..	.. 0 7 9	,,
From the year 1922 it was increased to ..	.. 0 12 0	,,

and besides since 1923 they are charging the full rate of 12 annas for water used for flushing purposes which was formely only annas 4 per 1000 gallons.

and now, the water rate is to be 16 annas per 1,000 gallons.

The result is while the water rate on household property has remained fixed at 3¾ per cent. and not been increased during all these years, the rate to the mills has been doubled.

It will be seen from the statement enclosed that in 1914-15 our industry in Bombay consumed 615,652,750 gallons of water which at the rate of 8 annas per 1,000 gallons worked out to Rs. 3,07,826. In 1924-25 our industry consumed 10,15,808,670 gallons of water which at the rate of 12 annas per 1,000 gallons worked out to Rs. 7,61,856. So, although our mills are using only 50 per cent. more water than in the year 1914-15, still we are paying about two and a half times more in water tax, and if the rate is increased to 16 annas per 1,000 gallons as is now proposed, then the Municipality will get over three times the revenue which they used to get in 1914-15.

It would be argued that the rateable value on all properties have doubled, and therefore the householder pays double the rate at the rate of 3¾ per cent. than what he used to do before. But this is not so, as owing to the restrictions of the Rent Act and other causes, the rateable value of old house property has not been doubled for old houses, and only an increase of 15 per cent. has been allowed by the Rent Act for increase of rents, and a corresponding increase in the rateable value. So, that analogy does not apply.

But in our case, our rateable value for all our buildings have been increased over double. Therefore, not only our rateable value has been increased by two and a half times, but our water rate also is proposed to be doubled, while for the householders in the city, the rateable value has been increased only by 15 per cent. as allowed by the Rent Act, and their water rate has practically remained the same, or merely enhanced by the corresponding increase of 15 per cent. as per Rent Act. So, it will be apparent that the industries are being charged for water at a much higher figure than the rate for householders.

It would be further contended that the duty of the Municipality is to supply water to houses, but for industries they can supply only if there is a surplus, and therefore for the surplus water to the industry they can charge any rate they like. This is a wrong argument and cannot be substantiated because our Municipality has undertaken to supply water to the householders in Bandra, Kurla and everywhere else, which they have no right to do if they cannot supply enough water to the householders and rate-payers as well as to the industries in the town and island of Bombay, on which their very existence depends, and their first duty is to supply water to the industries in Bombay in preference to the house holders in Salsette.

It is a well-established principle and which our Municipality will have to recognise very soon, that all corporations in England and all over the world charge a lower rate to the industries than to the householders, and when our Municipality have completed the extension of the Tansa Reservoir and bring a larger quantity of water they will have to look to increase of consumption of water by industries and give them favourable rates so as to encourage the industries in this city. Why, therefore, in view of the large quantity of water about to be brought into Bombay very soon in the course of the next 12 months, the Municipality should for the present increase the rate for water tax to industries like Bombay mills, Port Trust and other large bodies, and hamper also the shipping of this Port ?

A further point we have to bring to notice that the municipality is supplying water to Bandra and all suburban Municipalities at the rate of 8 annas per 1,000 gallons and they in turn are charging mills in their localities 10 annas rate. So, why should Bombay mills be penalized;

Therefore, as our Committee have decided the other day, we must not only instruct our representative, Mr. Mody, on the Corporation, but before Mr. Mody can speak there and raise the point, in our opinion, our Association should address a letter to the Corporation protesting against the proposed increase in the water rate.

If it be possible both on the question of assessment to general tax and the water tax, we should ask the Bombay Chamber of Commerce, Port Trust, the Engineering Association, and other associations to have a joint meeting, and if possible make a common protest. Then only we will be able to convince the Municipality of the position they have taken up in increasing the taxes.—Yours faithfully,

NOWROSJEE WADIA & SONS,

Agents.

Statement showing the Taxes levied in respect of the Mills during the following years.

Years.	General Tax.	Halalkhore Tax.	Water Tax by Meter.	Total.
				Rs. a. p.
1914-15	At 9⅞ % Rs. 3,32,452-10-5	At 3 % Rs. 1,02,539-4-10	At As. 8 per 1,000 Gallons Rs. 3,07,826-6-0	7,42,818 5 3
1918-19	At 9⅞ % Rs. 5,55,472-13-2	At 3 % Rs. 1,68,763-11-0	At As. 7¾ per 1,000 Gallons Rs. 4,72,671-3-11	11,96,907 12 1
1921-22	At 9⅞ % Rs. 5,99,545-4-5	At 3 % Rs. 1,82,145-7-0	At As. 7¾ per 1,000 Gallons Rs. 5,01,932-14-7	12,83,623 10 0
1922-23	At 11½ % Rs. 7,32,967-6-4	At 3 % Rs. 1,91,198-6-5	At As. 12 per 1,000 Gallons Rs. 6,96,680-14-2	16,20,846 10 11
1923-24	At 11½ % Rs. 9,53,287-7-0	At 3 % Rs. 2,48,678-5-0	At As. 12 per 1,000 Gallons Rs. 8,65,881-8-0	20,67,847 4 0
1924-25	At 11½ % Rs. 9,62,886-15-0	At 3 % Rs. 2,52,138-8-0	At As. 12 per 1,000 Gallons Rs. 7,61,856-8-0	19,76,881 15 0

THE BOMBAY DYEING & MANUFACTURING CO., LTD.,
BOMBAY, *27th December*, 1924.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re: Increase of Water Tax by the Bombay Municipal Corporation.

We wrote to you a long letter on the 22nd December regarding the above matter. In that letter we showed that the mills consumed in the year 1924-25 1,015,806,670 gallons of water. If we divide this by 365 days, it shows that the mills use a little over two and three quarter million gallons of water per day, for which they paid in the year 1924-25, Rs. 7,61,856.

As the Municipality bring for the consumption of Bombay on an average about 33 to 34 million gallons per day, it will be worth while finding out what is the total revenue the Municipality is getting from water rate in the whole of Bombay, and how our proportion of 2¾ million gallons per day bear to the total revenue derived. Is it in proportion to the water used for household purposes or not? We think we can make out a very good case if we show that we are paying about three times or more for our water than what the householders pay.

It will therefore be advisable to get the figures for the total water rate received by the Municipality.—Yours faithfully,

NOWROSJEE WADIA & SONS,
Agents.

No. 5/27 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *30th December*, 1924.

THE SECRETARY,
MUNICIPAL CORPORATION, BOMBAY.

SIR,

I have the honour, under directions of my Committee, to address you on Resolution No. 8309 passed by the Standing Committee on 18th November last and to request you to be good enough to place my Committee's views thereon before the Municipal Corporation.

2. It is proposed under the Resolution to maintain the water tax on rateable value at its present level of 3¾% and to increase the tax by meter measurement to 14 annas per 1,000 gallons in certain cases and to 16 annas in other cases including cotton mills. In other words, in the opinion of the Standing Committee the house-owners should be exempted from contributing towards the expenditure incurred by the Municipality in connection with the new water-works scheme, and the whole of the burden should be borne by the industries of the city.

3. My Committee would not have objected so strongly to the proposal of the Standing Committee if the new schemes which have led to the proposed enhancement in taxation were undertaken by the Municipality to supply the special needs of the industries, or if the number of persons employed in the industries had increased to an extent to justify the enhanced demand it is proposed to make on industries. My Committee understand that early next year the City of Bombay is to receive about ten million gallons more water per day. Almost the whole of this will be used by the general consumer who, if the proposals of the Standing Committee are adopted, will not contribute any more than at present for the extra supply received. Industrial concerns, on the other hand, which would derive little if any benefit from the extra supply, will be made to pay a water tax 33⅓ per cent. higher than at present.

4. Moreover, my Committee are informed that the Municipality is supplying water to Bandra and suburban municipalities at the rate of 8 annas per 1,000 gallons, and these municipalities are charging industrial concerns at the rate of 10 annas per 1,000 gallons, and my Committee submit that this arrangement cannot be deemed fair or equitable. It is my Committee's considered opinion that the industries of the city on which so much of its prosperity depends have a greater claim to the consideration of the Municipality than the population and the industries of the suburban districts.

5. It is generally recognised in England and other continental countries that industrial concerns should be charged for consumption of water at a lower rate than house-owners, and my Committee venture to submit that the Bombay Municipality should not have so radically departed from this recognised principle of municipal taxation. In my Committee's opinion it is most essential that in this important respect the Bombay Municipality should now come into line with the municipalities in England and other continental countries.

6. My Committee also desire to draw the very serious attention of the Corporation to the constantly increasing amounts of taxation the cotton mill industry has been paying to the Municipality during recent years as is evidenced by the table forwarded herewith. The total amounts paid by the cotton mills as General Tax, Halalkhore Tax and Water Tax in 1914-15 and 1923-24 are reproduced below and will show at a glance the enormous increase in the mills' contributions as far as these three principal sources of Municipal revenue are concerned :—

	General Tax.			*Halalkhore Tax.*			*Water Tax.*			*Total.*		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
1914-15	3,32,452	10	5	1,02,539	4	10	3,07,826	6	0	7,42,818	5	3
1923-24	9,53,287	7	0	2,48,678	5	0	8,65,881	8	0	20,67,847	4	0

7. The basis of assessment for mills as fixed in 1912 was increased by 50 per cent. in 1918-19, and this enhanced assessment was further increased by 25 per cent. last year. The water tax stood at 8 annas per 1,000 gallons in 1914-15 and was increased to 12 annas in 1921-22. It is now proposed to increase it to Re. 1, *i.e.*, an increase of 100 per cent. over the rate prevailing in 1914-15 and of 33⅓ per cent. over the rate prevailing in 1921-22. House-owners have not been penalised to anything like the same extent, the rate charged for water having remained constant at 3¾ per cent. on rateable value.

8. Moreover, from 1st January, 1921, a town duty of Re. 1 per bale has been levied on raw cotton imported into Bombay which costs the mills from 10 to 11 lakhs of rupees annually. This duty was levied for defraying the costs of chawls built for millhands under the Bombay Development Scheme, but in no other country would employers be asked to contribute towards the expenses of building residental quarters for their employees. It is, however, a well-known fact that millhands have not been able to take advantage of

these chawls on account of high rents and other reasons, and the chawls have been let at high rents to others. There can be no doubt as to the sheer injustice of this burden of 10 to 11 lakhs annually on the mill industry of Bombay.

9. The gross unfairness of the Standing Committee's proposals is most apparent from the following comparison :—

In the year 1923-24 the total water consumed in Bombay City and Island was 17,876 million gallons, the total revenue derived was 53½ lakhs of rupees. The total water consumed by cotton mills was 938 million gallons for which they paid slightly more than 7 lakhs.

Thus although cotton mills consumed only 5¼ per cent. of the total amount of water used, they paid no less than 13 per cent. of the total revenue or two and a half times as much as they would have done under an equitable arrangement. On the basis of their consumption a fair charge for the water used by the cotton mills would have been Rs. 2,81,000, which means that the mills even with a 12 annas rate paid Rs. 4,20,000 more than they should in equity have done. If the water rate is increased to 16 annas the mills will have to pay 2⅓ lakhs more than at present and 6½ lakhs more than their fair share.

10. My Committee are confident that the facts and figures mentioned above will convince the Corporation of the inadvisability and unfairness of increasing the water rates to mills. Sir M. Visveswaraya in his preliminary report on Municipal Retrenchment and Reform very justly said that "the material progress of Bombay depends almost wholly upon the progress of industry and trade, and it is essential that the administration and development of the city should proceed upon lines calculated to assist, to the greatest possible extent, the steady and constant growth of these two avenues of employment and wealth." The policy hitherto followed by the Municipality of imposing heavy taxation on the industry giving means of livelihood to a lakh and half of labourers can hardly be said to be in consonance with the very salutary principle enunciated by Sir M. Visveswaraya.

11. In conclusion, my Committee trust that the Corporation will recognise that bare justice requires that their sanction should not be accorded to the recent Resolution of the Standing Committee. The cotton mill industry is already taxed beyond its capacity, and any proposal to impose on it this additional taxation will, my Committee are confident, meet with the unequivocal condemnation of the members of the Corporation.—I have, etc.,

T. MALONEY,
Secretary.

Statement showing the Quantity of Water by Meter Measurement supplied under Sub-Heads and Water Tax by Measurement realized at different rates for the uniform quantity of 1,000 Gallons.

	1914-15.		1923-24.	
	Gallons.	Amount.	Gallons.	Amount.
Hotels	2,55,23,005	@ As. 8 Rs. 12,761-8-1	6,35,18,250	@ As. 12 Rs. 47,638-11-0
Cotton factories	54,69,14,848	@ As. 8 Rs. 2,73,457-7-0	93,80,29,315	@ As. 12 Rs. 7,03,522-3-9
Flour factories	2,35,84,750	@ As. 8 Rs. 11,792-6-0	1,97,62,450	@ As. 12 Rs. 14,821-13-0
Other factories	23,34,08,620	@ As. 8 Rs. 1,16,704-4-11	38,34,92,222	@ As. 12 Rs. 2,87,619-2-8
Milch cattle stables	10,10,53,877	@ As. 4 Rs. 25,263-7-6	14,56,17,250	@ As. 8 Rs. 72,808-9-7
Government buildings	22,77,03,579	@ As. 4 Rs. 50,303-4-2	15,63,23,750	@ As. 4 Rs. 39,080-14-11
Railways	52,39,93,475	@ As. 6½ Rs. 2,12,872-5-5	74,49,31,875	@ As. 8 Rs. 3,72,465-14-7
Port Trust	21,47,61,005	@ As. 6½ Rs. 87,246-10-5	52,03,62,375	@ As. 8 Rs. 2,60,181-3-0
Suburbs	15,26,05,525	Rs. 1,15,261-8-10	47,35,89,230	At different rates. Rs. 2,68,429-13-0
Miscellaneous	78,88,61,755	Rs. 2,11,816-5-6	1,12,34,25,635	At different rates. Rs. 4,63,414-11-7
	2,83,84,10,430 or 77,76,466 gallons per day.	Rs. 11,17,479-3-10	4,56,90,52,352 or 12,517,951 gallons per day.	Rs. 25,29,983-1-1

No. 65/27 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 14*th January*, 1925.

THE SECRETARY,
BOMBAY MUNICIPAL CORPORATION, BOMBAY.

SIR,

At a meeting of the Bombay Municipal Corporation, held on the 8th instant, the Chairman of the Standing Committee, when introducing the Budget Estimates of the Municipality for the year 1925-26, referred to the representation recently made by the Millowners' Association protesting against the proposed enhancement of the water rate payable by mills.

In the portion of his speech dealing with the Millowners' protest, the Chairman of the Standing Committee put forward two contentions :—

(1) That whether the enhanced water tax was charged to millowners or not, it would ultimately fall on the population, the millowners like the house-ownersbeing only the media through whom the water tax was collected.

(2) That the water tax was a less objectionable tax than the Cotton Excise Duty, and millowners should direct their complaints against the Excise Duty instead of protesting against the water tax.

As regards the first contention, assuming for a moment that the enhanced tax could be passed on to the consumer, it should be remembered that only a very small percentage of the goods produced in the mills of Bombay City and Island are purchased by the population of Bombay. The great bulk of them are sent to up-country markets, and it necessarily follows that if the tax was passed on to the consumer, it would be paid not by the population of Bombay, who are to receive the benefits of the new water-works schemes, but by the inhabitants of villages in all parts of India to whom an increased water-supply in the City and Island of Bombay means nothing and upon whom it confers no benefits whatsoever. In the case of house-owners, the tax would be presumably passed on to the tenants in the shape of rent, who at any rate would benefit by the increased water-supply to be provided by the Municipality.

But it is an egregious fallacy to maintain that there is no limit to the taxes which can be levied on an industry and recovered from the consumer by increasing the price of the products of that industry. The Chairman of the Standing Committee, when putting forward this argument, apparently forgot that there exists any such thing as competition, or that there is a limit to the consumers' capacity to pay. As regards cotton goods, this limit of capacity to pay has apparently been reached, for at the present time the prices realised for the yarn and cloth produced by the mills of Bombay are in many cases less than the cost of production. My Committee feel that the time has come when the burden of Imperial and Local taxation on the mill industry of Bombay, which provides a livelihood for so great a number of the inhabitants of the city should be reduced.

No industry can flourish which is so over-burdened with taxation as the Bombay mill industry. The excessive taxation it has to bear leads to an increase in the prices of its manufactures, decreases consumption, and leads to dumping of goods by foreign countries such as Japan, to the economic detriment of the country in general and Bombay in particular.

As regards the second argument brought out in the speech of the Chairman of the Standing Committee, my Committee are confident that the proposition that because an industry is subjected to an iniquitous tax like the Excise Duty—therefore it has no right to protest against an inequitable enhancement of the water tax—will not be endorsed by any member of the Corporation. It is difficult to believe that the Chairman of the Standing Committee expected his statement to be taken seriously by the members of the Corporation, or by the general public. The question of protesting against the Cotton Excise Duty has not been lost sight of by the Association, it has protested against it for 28 years and will

continue to fight until the duty is removed, but that certainly constitutes no reason why the Association should not protest against the enhancement of the water tax.

It would be superfluous to traverse again in this letter the arguments put forward in my Committee's protest against the enhancement of the water tax, but they feel it necessary that this criticism of the Chairman's reference to their representation should be considered by the Corporation, and rely upon the Corporation to discuss their protest upon its merits, and to reject the proposal of the Standing Committee to enhance the water charges to mills on the grounds that it would be neither just nor equitable to levy this fresh tax upon the already over-burdened mill industry of Bombay.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 30 (C).

MUNICIPAL ASSESSMENT OF MILLS.

THE BOMBAY DYEING & MANUFACTURING CO., LTD.,
BOMBAY, *22nd December*, 1924.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re. Assessment of Land and Buildings for Rateable Value by the Municipal Corporation.

We have to draw the attention of your Committee to the exorbitant manner in which the Municipality are now levying assessment on mills, and in our opinion, the time has come when our Association should approach the Corporation for a just and fair rectification of assessment as regards the mill lands and buildings.

1. It must be remembered that from 1913, the assessment was levied on mills at the rate of 4 per cent. on the actual cost value of land and 6 per cent. on the cost of the building as shown in the Company's books.

2. In March 1918, this system of assessment was revised and the Municipality arranged the assessment as follows :—

4 per cent. on the value of land as ascertained at the then market rate for land, and

6 per cent. on the cost of building as shown in the books of the Company, increased by 50 per cent. in value.

3. Again in August 1923, this assessment on the above basis for buildings as then in force from 1918 was increased by a further 25 per cent.

4. To quote a typical instance, we give below the figures of assessment for our Spring Mills :—

(*a*) In 1913. our assessment was :—

	Rs.
104,503 sq. yds. land, book value Rs. 2,03,339 at 4 per cent.	8,133.6
Cost of building according to books Rs. 11,85,166 at 6 per cent.	71,109.9
Total gross assessment ..	79,243.5

(*b*) In March 1918 the assessment was increased as under :—

Land 102,783 sq. yds. at Rs. 4 per sq. yd.=Rs. 4,11,132 at 4 per cent.	16,445
Buildings Rs. 11,85,166 plus 50 per cent. enhancement on cost, Rs. 17,40,583 at 6 per cent.	1,04,435
Total gross assessment ..	1,20,880

(*c*) Between 1918 and 1922, we increased our mill and this addition cost us Rs. 22,84,690 ; and this at 6 per cent. was assessed at 1,37,081

Added to this the above total of	1,20,880
as shown in (*b*), our assessment up to March 1923 was ..	2,57,961
and in August 1923 this assessment was further increased by 25 per cent.	64,490
or a total gross assessment of	3,22,451

which is in force at present.

5. It will therefore be seen from the above assessment that for the original land which cost us about Rs. 2 per sq. yd., the Municipality valued in 1918 at Rs. 4 per sq. yd., or doubled the assessment, and then when they increased the assessment by further 25 per cent. in 1923, they raised the value to Rs. 5 per sq. yd., and charge 4 per cent. on that basis.

6. As for the value of buildings, they increased it by 50 per cent. in August 1918, and again by 25 per cent. in 1923 over the 50 per cent. increase. So, the cost has been increased by 87½ per cent. That means that they are valuing the increased cost of building at 87½ per cent. to what it was before the war.

7. It will be seen from the above statement that the additions we made in 1918 to 1922 costing us Rs. 22,84,690, which were built at the time when building work was dearest and for which they took our full cost value, have again been increased by 25 per cent. We do not understand why, but we suppose that they made an all-round ruling without considering the facts. If such buildings had been built at the top of their price, surely in fairness this last 25 per cent. increase should not apply to these additional buildings raised between 1918 and 1922.

8. It cannot be contended that the cost of building is now more than double that of 1913. Between 1918 and 1922 it was double, but the Municipality owing to this arrangement are not only charging double, but two and a half times on the new additions.

9. In taking the cost of the building, they have not only assessed the building itself but they have assessed all mill tanks also whether they are built, or simply plain dug out of the ground, and also on chimneys. By no stretch of imagination it can be contended that such buildings are rateable and can be used for housing purposes.

10. From the statements we have received, we find that in 1914-15 the general tax was levied at the rate of 9.7/8 per cent. and since 1921-22 it has been increased to 11½ per cent. The figures are as under :—

Year.	Net Rateable value.	Per cent.	General Tax received by Municipality.
	Rs.		Rs.
1914-15	33,66,610	9 7/8	3,32,452
1918-19	56,25,040	Do.	5,55,472
1921-22	60,71,340	Do.	5,99,545
1922-23	63,73,625	11.½	7,32,967
1923-24	82,89,450	Do.	9,53,287
1924-25	83,73,920	Do.	9,62,886

From the above it will be seen that the rateable value of the mills has been increased to more than two and a half times, while the tax received by the Municipality is increased to nearly three times.

11. We would therefore like your Committee to ask for figures from every mill, compare the present assessment with the previous assessment made on the mills, and then by collecting statistics, approach the Municipal Commissioner with a good case to revise the system of assessment obtaining in force at present, and press upon him not to charge the 25 per cent. increase on the buildings which have been constructed during 1918 and 1922. The whole way in which the present assessment is being levied seems to us chaotic, and unless we make an emphatic protest, wo do not know where we will be if the Municipality go on increasing the assessment as they are doing at present from time to time.

12. We must also remember that they have again proposed to increase the water rate charged to the mills from 12 annas to Re. 1 per 1,000 gallons which only a few years ago used to be 8 annas.

Further, it is proposed to levy terminal charges next year on a scale hitherto unheard of, to which we must make an emphatic protest.

13. Again, we must bear in mind that our industry is paying Re. 1 per bale on every bale of cotton used for providing dwellings for our millhands, and for covering interest charges on the amount laid out on such dwellings. This tax is levied by the Municipality, which passes on to the Development Department about Rs. 11,00,000 every year, and this is an additional tax on our industry in Bombay only. The further anomaly is that these workmen's dwellings have been built and the rate fixed for rental is so high that our workmen cannot take advantage of such dwellings and they go to other places of living, and the same dwellings which were built for our millhands have been let at high rents to other residents in Bombay and we have to bear the charges for same.

14. Then again we find that according to the Government Notification dated 14th May, 1924, it is decided that half the total cost of the survey under the provisions of Section 10 of the Bombay City and Survey Act, IV of 1915, be levied and recovered on a scale fixed by the Governor in Council and published in the above Government Resolution. Under these rules the survey fee is levied for every Cadestral Survey Number on a fixed basis plus another fee calculated on the basis of rateable value. This is a new innovation and we do not understand why the Government have put a tax on the Cadestral survey of our industry.

From statement appended, it will be seen that the total taxes paid by our industries to the Bombay Municipal Corporation has increased from Rs. 7,42,818 to Rs. 19,76,881, and this is becoming a burden on Bombay mills.

We write this letter because our mill industry is not passing through very promising times, and it is the duty of everybody concerned in the industry to look into the facts and figures and cut down expenditure wherever they can. But between the Government and the Municipality instead of helping us to retrench, they are increasing our assessments and taxes without any limit, and the time has arrived when we must enter an emphatic protest

against any unjust taxes levied on the industry if this industry is to thrive here. Up to now our industry was supposed to be the goose that laid golden eggs, but if they kill the goose, they won't have the golden eggs either for themselves or for anybody else.— Yours faithfully,

NOWROSJEE WADIA & SONS,
Agents.,

Statement showing the Taxes levied in respect of the Mills during the following years.

Years.	General Tax.	Halalkhore Tax.	Water Tax by Meter.	Total.
				Rs. a. p.
1914-15	At 9⅞ % Rs. 3,32,452-10-5	At 3% Rs. 1,02,539-4-10	At As. 8 per 1,000 Gallons. Rs. 3,07,826-6-0	7,42,818 5 3
1918-19	At 9⅞ % Rs. 5,55,472-13-2	At 3 % Rs. 1,68,763-11-0	At As. 7¾ per 1,000 Gallons Rs. 4,72,671-3-11	11,96,907 12 1
1921-22	At 9⅞ % Rs. 5,99,545-4-5	At 3 % Rs. 1,82,145-7-0	At As. 7¾ per 1,000 Gallons Rs. 5,01,932-14-7	12,83,623 10 0
1922-23	At 11½ % Rs. 7,32,967-6-4	At 3 % Rs. 1,91,198-6-5	At As. 12 per 1,000 Gallons Rs. 6,96,680-14-2	16,20,846 10 11
1923-24	At 11½ % Rs. 9,53,287-7-0	At 3 % Rs. 2,48,678-5-0	At As. 12 per 1,000 Gallons Rs. 8,65,881-8-0	20,67,847 4 0
1924-25	At 11½ % Rs. 9,62,886-15-0	At 3 % Rs. 2,52,138-8-0	At As. 12 per 1,000 Gallons Rs. 7,61,856-8-0	19,76,881 15 0

No. 118/51 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 23*rd January*, 1925.

THE MUNICIPAL COMMISSIONER,
BOMBAY MUNICIPALITY, BOMBAY.

SIR,

I am directed to address you in regard to the question of the assessment of the rateable value of mills and extensions to mills completed since March 31st, 1918. You will doubtless remember the circumstances which led this Association to agree to an increase in the rateable value of mill properties. In your original letter on the subject (MC/517-D, dated 9-5-1923) you clearly outlined your reasons for asking for a revision of the method of assessment in the following words:—

> "I find on enquiry that the method of assessment adopted in 1912 and continued in 1918-19 was defective in so far as the book value of the buildings only was taken into calculation for purposes of fixing the assessment whereas the proper course was to take the present value of all buildings."

In order to avoid the trouble, time and expense which would have been involved in estimating the 'present value' of mills buildings it was mutually agreed that assessments should be increased by 25 per cent. which presumably would bring book values more or less up to present values.

For some inexplicable reason the case of mills, built or extended since the previous revision of assessments in 1918, was overlooked but my Committee submit that it is obviously unfair that book values should be increased in such cases, and that the practice which has

been followed by the Assessor and Collector since 1923 in enhancing the assessment of mills and extensions completed since 31st March, 1918, is in contravention to the spirit of the agreement made with the Association last year.

Under these circumstances my Committee request that the necessary orders be given by you for the grant of a refund of the extra taxes which have been paid by mills in respect of constructions or extensions completed since 31st March, 1918, owing to the misinterpretation of the 1923 agreement by the Assessor and Collector of Taxes.

To illustrate the injustice of the present system of assessment in respect of new buildings I will quote the example of the Bombay Dyeing and Manufacturing Company, Limited, Spring Mill. In March 1918 the rateable value of the Bombay Dyeing and Manufacturing Company, Limited, was calculated as follows:—

	Rateable value. Rs.
Land 102,783 sq. yds. @ Rs. 4 per sq. yd. = Rs. 4,11,132, at 4 per cent.	= 16,445
BuildingsRs. 11,85,166 at cost plus 50 per cent. enhancement on cost = Rs. 17,40,583, at 6 per cent.	= 104,435
Gross assessment	.. 1,20,880
Between 1918 and 1922 new buildings were erected at a cost of Rs. 22,84,690, at 6 per cent.	= 1,37,081
Making a total gross assessment in March 1923..	.. 2,57,961
In August 1923 this assessment was enhanced by 25 per cent.	.. 64,490
Making a total gross assessment	.. 3,22,451

My Committee maintain that the enhancement levied on the Bombay Dyeing and Manufacturing Company, Limited, should not have been levied on the cost of the buildings erected subsequent to 1918 for the reason that the present value of these extensions in 1923 was if anything considerably less than the book value owing to their having been erected when building materials were at the top of the market. The 25 per cent. increase in assessment should only have been made applicable to erections in existence when the 1918 agreement was made, and the Bombay Dyeing and Manufacturing Company, Limited, have apparently been over-assessed to the extent of Rs. 30,200.

There are other mills in Bombay which have been also over-assessed under similar circumstances as the Bombay Dyeing and Manufacturing Company, Limited. My Committee feel that you will appreciate the justice of the facts placed before you in this representation, but if you consider it necessary would be prepared to appoint a Sub-Committee to meet you in order to investigate this specific question in greater detail.—I have, etc.,

T. MALONEY,
Secretary.

A. & C/No. A 107 of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, *20th October*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—25 *per cent. Increase in the Assessment of Mill Structures Erected since* 1918.

SIR,

I have the honour to refer to your letter No. 118/51 dated 23-1-1925 and to inform you that I cannot agree to allow any refund of taxes paid, as according to the strict letter of the law the agreement arrived at between the Bombay Millowners' Association and the

Corporation cannot be disturbed during the quinquennium 1923-24—1928-29. As however, the high cost of building materials of structures put up since the year 1918 was not specifically discussed at that time, I am prepared on grounds of equity to consider objection applications against the increased valuations in the current year, on the ground that the valuations cover an increase of 25 per cent. in the case of the valuations of structures added to the mills since the year 1918.—I have, etc.,

H. B. CLAYTON,
Municipal Commissioner.

APPENDIX 30 (D).

TERMINAL TAX.

No. 33/28 of 1925.

THE MILLOWNERS' ASSOCIATION,
Bombay, 7th January, 1925.

THE MUNICIPAL COMMISSIONER,
BOMBAY.

SIR,

SUBJECT :—*Terminal Tax.*

My Committee have been given to understand that the Income Committee of the Corporation have recently submitted a report to the Corporation containing detailed proposals in regard to terminal taxes which they suggest might be levied to replace the present system of refundable town duties.

2. In this connection I am directed to invite you to refer to the previous correspondence with the Association, from which it will be seen that Mr. H. P. Mody was originally nominated to represent the views of the Association before the Committee. In June 1923 Mr. S. D. Saklatvala replaced Mr. H. P. Mody as the Association's representative when the latter became President of the Corporation.

On the 9th July, 1923, Mr. Saklatvala, along with the representatives of the Bombay Chamber of Commerce and the Indian Merchants' Chamber, discussed the list of articles which it was then considered advisable to make subject to a terminal tax. From the report of this meeting tendered to the Association by Mr. Saklatvala it appears that the Income Committee invited suggestions generally, and particularly with regard to the possibility of increasing the number of articles upon which a light terminal tax might be levied. On the 17th July, 1923, Mr. Saklatvala rendered to the Income Committee certain proposals which had been previously approved by the Association, and at the close of his letter indicated the extreme desirability of being given another opportunity of meeting the Income Committee for a discussion of the conclusion reached by them as a result of the suggestions made by this Association, the Indian Merchants' Chamber and the Bombay Chamber of Commerce.

3. Under these circumstances my Committee are extremely surprised that the Income Committee of the Corporation should have submitted their final report to the Corporation without having given the representatives of the three important bodies named a chance of expressing their opinion thereon.

4. My Committee believe that the schedule and the rates at which it is proposed to levy the tax are open to serious objections in certain instances and suggest that the Corporation should refer back the report to the Income Committee together with a recommendation that important industrial, mercantile and commercial bodies be consulted. Unless such a course is adopted my Committee feel that it will be necessary for the various Associations concerned to urge the Government of Bombay to withhold their consent to the Corporation's suggestions for enacting the necessary legislation.

5. In anticipation of my Committee's suggestions being acceded to I am to request that copies of the Income Committee's report may be forwarded to them for consideration and comment at a very early date.—I have, etc.,

T. MALONEY,
Secretary.

No. 50/28 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *9th January*, 1925.

THE MUNICIPAL COMMISSIONER,
BOMBAY.

SIR,

SUBJECT:—*Terminal Tax.*

With reference to my letter No. 33/28 of the 7th instant, I have the honour to request you to be so good as to amend the fourth paragraph thereof as below:—

" A full stop should be put after the word 'instances' in the third line and then the following should be added:—

" In case of articles like coal, oil, stores, etc., the proposed 'terminal tax' will be an additional burden on mills in Bombay, because these goods are already subject to heavy import duty. I am therefore to suggest that the Corporation. . . . ."—I have, etc.,

T. MALONEY,
Secretary.

No. 127/28 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *26th January*, 1925.

THE COMMISSIONER,
BOMBAY MUNICIPALITY, BOMBAY.

SIR,

Re: Terminal Tax.

Further to my letter of the 7th instant on the above subject, my Committee, in anticipation of the Corporation referring back to the Income Committee their report for modification in consultation with important trading interests, desire me to outline their principal objections against the schedule recommended by the Income Committee for the imposition of the proposed terminal tax.

My Committee's chief criticism against the schedule is that it contains several articles which are used practically wholly by cotton mills and therefore violates one of the sound principles laid down by the Income Committee themselves, *viz.*, that the burden of taxation should be distributed as equally as possible upon all sections of the tax-paying community.

I am directed to state that the total contributions of the Bombay mill industry towards municipal revenues aggregate something like thirty lakhs of rupees annually and the recent resolution of the Corporation in connection with the water tax will saddle on the industry a further burden of over two and a half lakhs. The proposals put forward by the Income Committee regarding the terminal tax are calculated to make a further drain on the resources of the cotton mills to the tune of about eight lakhs of rupees annually. My Committee maintain with all the emphasis at their command that it is as injudicious as it is unfair to levy such heavy taxation on Bombay's premier industry on which so much of the prosperity of the city depends. As is well known, the indigenous industry finds it increasingly difficult to hold its own against competition from Japan which owing to a very high degree of protection afforded by its Government is able to sell in the Indian market piece-goods at prices which are very often less than the cost of identical goods turned out by Indian mills. This

very regrettable result is largely due to the taxes which have been piled upon the cotton mill industry for Imperial, Provincial and Municipal purposes, without any regard to the taxable capacity of the industry. My Committee wish to submit most respectfully that the city's Corporation should be the last to adopt a policy calculated to hamper the healthy development of its greatest industry. Such a policy, inadvisable at all times, is particularly to be deprecated at present when the industry is passing through a period of unparalleled depression and when it stands urgently in need of being relieved of a portion of its burdens instead of being saddled with additional taxation. Failure on the part of Government or the Corporation to take cognisance of this fact in connection with their taxation policy will seriously imperil the future prosperity and development of the Indian cotton mill industry to the advantage of her foreign competitors.

My Committee have no objection to the principle of a non-refundable tax, but they cannot contemplate with equanimity the schedule framed by the Income Committee, the adoption of which would penalise the cotton industry to an unjustifiable extent, as the following comments with regard to some of the more important items in the schedule conclusively show.

Item No. 1.—Coal is already subject to an import duty of 8 annas per ton and it is obvious that the proposed terminal tax on this material will fall most heavily on the cotton mills which are the largest consumers. It is my Committee's considered opinion that if it may not be deemed practicable to delete coal altogether from the schedule, the rate in no case should exceed two annas per ton.

Item No. 3.—The tax on gunnies and hessian cloth will fall practically wholly upon the mills and therefore cannot be said to be fair or equitable in its incidence. It is my Committee's considered opinion that the item should be altogether deleted.

Item No. 4 (2).—Liquid fuel is another material used practically wholly by mills, and its inclusion in the schedule is an illustration of the manner in which the schedule violates the principle laid down by the Income Committee themselves and referred to in para 2 above.

Items Nos. 9 & 16.—In my Committee's opinion, the proposed rate for taxing timber and cement are much too high.

Item No. 23.—The inclusion of 'dyes' in the schedule will again affect the textile industry only and should for that reason be condemned. Moreover, it should be noted that the tax on dyes will affect not only the mill industry but the handloom industry which consumes a much greater quantity than the mill industry.

Item No. 28.—It is perhaps scarcely necessary for my Committee to point out the inadvisability of imposing any tax on machinery and millwork in view of the unanimity of opinion prevailing in the country that everything should be done to foster industries.

My Committee are confident that the Corporation will recognise that the schedule drawn up by the Income Committee is most inequitable and requires drastic modifications. It should certainly be possible so to recast the whole schedule that the resulting income to the Municipality would be the same or even more without unduly penalising the city's only large industry.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 30 (A).

MUNICIPAL TAXATION.

No. 579/51 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *22nd April*, 1925.

THE MUNICIPAL COMMISSIONER
FOR THE CITY OF BOMBAY, BOMBAY.

SIR,

Under directions from the Committee of the Bombay Millowners' Association, I have the honour to request that you will take into your immediate and most serious consideration

the matters hereinafter mentioned with regard to the rates at which mills are assessed for the purpose of Municipal taxation and to state that it is this Association's earnest prayer that such relief may be granted to the Bombay cotton mill industry, as the circumstances require.

2. In the first instance my Committee desire me to invite your attention to the position in which cotton mills find themselves as regards their present rates of assessment for Halalkhore tax.

3. By Section 140 (*b*) of the City of Bombay Municipal Act, 1888, it is provided that there shall be levied on buildings and lands in the City of Bombay a Halalkhore tax of so many per centum, not exceeding three, of their rateable value as will, in the opinion of the Corporation, suffice to provide for the collection, removal and disposal by municipal agency, of all excrementitious and polluted matter from privies, urinals and cesspools and for efficiently maintaining and repairing the Municipal drains constructed or used for the reception or conveyance of such matter, subject, however, to the proviso that the amount of such tax to be levied in respect of any hotel, club or other large premises may be specially fixed under Section 172 of the Act.

4. By Section 142 (1) (*b*) of the Act, it is provided that the Halalkhore tax shall be levied in respect of premises in which wherever situate, there is a privy, water-closet, cesspool-urinal, bathing place or cooking place connected by a drain with a Municipal drain.

5. By Section 172 (1) of the Act, the Commissioner may whenever he thinks fit, fix the Halalkhore tax to be paid in respect of any hotel, club or other large premises at such special rates as shall be approved by the Standing Committee in this behalf, either generally or in any particular case, whether the service in respect of which such tax is leviable be performed by Halalkhores or by substituted means or appliances.

6. In accordance with an order of the Municipality all the mills of the city have been fitted with water flushes in the sanitary conveniences provided for their workpeople and, as a result of this, no services are now rendered by municipal Halalkhores at the mill premises. The conveniences are maintained in working order and kept clean by special staffs at the expense of the mill authorities. Polluted matter is removed from the lavatories to the drains by a system of water-flushing, the cost of which is borne entirely by the mills which have to pay for the water used at 16 annas per 1,000 gallons, the present water rate for trade purposes. Until recently mills were charged at a lower rate for flushing water, *viz.*, four annas per 1,000 gallons, and two gallons of water per man per day used to be allowed free of charge for drinking purposes. In several mills the levels of mill drains are lower than the municipal drains and as a consequence pumps have had to be installed to pump the sewage to the higher level so as to cause it to flow into the municipal drains. The cost of these pumps and the maintenance and working charges have been borne by the mills.

7. Under the above circumstances my Committee submit that at the present time as only the function of 'disposal' of polluted matter is effectively performed by municipal agency, mills are in all fairness entitled to some reasonable concession in the rate of assessment to Halalkhore tax to compensate for the expenditure actually incurred by them in regard to 'collection' and 'removal' of the excrementitious and polluted matter from the sanitary conveniences attached to the mill premises, and where pumps are installed to lift sewage, my Committee maintain that the cost of installations, maintenance and working of such pumps should be borne by the Municipality and further, the rate of water used for flushing and drinking purposes should be reduced to four annas per 1,000 gallons.

8. My Committee respectfully submit that under the aforesaid circumstances a good case is made out for the exercise of the discretion vested in the Municipal Commissioner under Section 172 (1) of the Act and they request that you will see fit to fix the future Halalkhore tax to be paid by the mills at a special rate considerably lower than the rate hitherto charged under Section 140.

9. I am directed, in the next place, to refer to Resolution No. 8309 regarding water tax passed by the Standing Committee on the 18th November, 1924, regarding which my Committee crave permission to place their views before the Corporation.

10. By the terms of the above Resolution which was subsequently endorsed by the Corporation, it is proposed, notwithstanding your recommendations in the Budget, to maintain the percentage of rateable value for assessment of water tax under Section 140 (*a*) of the Municipal Act at its present level of 3¾ per cent. and at the same time to increase the charge for water supplied by meter measurement under Section 169 to fourteen annas per 1,000 gallons in some cases and in other cases, including mills, to Re. 1 per 1,000 gallons, from which it would appear that in the opinion of the Standing Committee house-owners and others should be exempted from contributing towards the amount expended by the Municipality in connection with the new scheme of water-supply for Bombay and that the whole burden thereof should be borne by the industries of the city.

11. This Association would not have objected so strongly to the above proposals, if the new schemes of water-supply which have led to the necessity for enhanced taxation had been undertaken by the Municipality to supply the special needs of the industry or if the number of persons employed in the industry had increased to an extent sufficient to justify the proposed enhanced demand. Such, however, is not the case. My Committee understand that early next year the City of Bombay is to receive an additional 10,000,000 gallons of water a day. Almost the whole of this extra supply will in fact be used by the general consumer householder or tenants of houses, who, if the present proposals are adhered to and adopted, will not contribute to the cost of it in any way. The industries on the other hand, will derive little, if any, benefit from such extra supply and will at the same time be made to pay a water tax of 33 1/3 per cent. more than they have done upto recently.

12. My Committee are informed that the Municipality is supplying water to the Bandra and other suburban municipalities at the rate of eight annas per 1,000 gallons and that these municipalities are charging industrial concerns at the rate of ten annas per 1,000 gallons, and they submit that in view of the rates already charged in the City and Island of Bombay this is neither reasonable nor equitable. In this connection I am directed to record that it is my Committee's considered opinion that the industries of the city upon which so much of its prosperity depends, have an even greater claim to the consideration of the Municipality than have consumers in suburban districts.

13. It is generally recognised in England and other European countries that industrial concerns ought to be charged for water at a lower rate than house-owners and others, and my Committee venture to point out that the Standing Committee have by the above proposal made a complete departure from this recognised principle of Municipal taxation, and are charging to the industry a rate of Re.1 (equivalent to 1*s.* 6*d.*) per 1 000 gallons, a rate unheard of in any civilized modern city.

14. My Committee wish to take this opportunity to draw your attention to the constantly increasing taxes which have been paid by the cotton mills to the Municipality. The total amounts paid by the cotton mills for General tax, Halalkhore tax and Water tax in 1914-15 and 1923-24 are as follows, and show at a glance the enormous increase in the mills' contribution so far as the three principal sources of municipal revenue are concerned.

	General Tax.			*Halalkhore Tax.*			*Water Tax.*			*Total.*		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
1914-15	3,32,452	10	5	1,02,539	4	10	3,07,826	6	0	7,42,818	5	3
1923-24	9,53,287	7	0	2,48,678	5	0	8,65,881	8	0	20,67,847	4	0

15. The water tax stood at eight annas per 1,000 gallons in 1914-15 and up to 1917-18. It was reduced from 1918-19 to seven annas six pies and was increased to twelve annas in 1921-22. It has now been increased to Re. 1 *i.e.*, an increase of 100 per cent. over the rate prevailing in 1914-15 and of 33 1/3 per cent. over the rate prevailing up to 1924-25. This increase will give an additional revenue to the Municipality of Rs. 2,88,627, bringing the total contribution of the industry to Rs. 23,55,474. House-owners have not been penalised to anything like the same extent, the rate charged for water having remained constant at 3¼ per cent. on the rateable value of their premises.

16. The gross unfairness of the treatment meted out to the Bombay mill industry will be most apparent from the following comparison :—

In the year 1923-24 the total water consumed in Bombay City and Island was 17,876 million gallons and the total revenue derived in respect of the water tax was Rs. 53½ lakhs. The total water consumed by the cotton mills was 938 million gallons for which they paid slightly more than Rs. 7 lakhs. Thus, although the cotton mills consumed only 5¼ per cent. of the total amount of water used, they paid no less than 13 per cent. of the total revenue or more than twice as much as they should have done under an equitable arrangement. On the basis of a fair charge for the water used they would have paid Rs. 2,81,000 which means that the mills even with a twelve annas rate paid Rs. 4,20,000 more than they should in equity have done. Now that the water rate has been increased to annas 16, the mills will have to pay Rs. 2⅓ lakhs more than formerly and 6½ lakhs more than their fair share.

17. My Committee desire to state that their views with reference to the proposals contained in the Resolution of the Standing Committee as set out in paragraphs 9 to 16 hereof inclusive have already been conveyed to the Secretary of the Corporation in a letter of the 30th December, 1924, to which no reply has so far been received.

18. The then Chairman of the Standing Committee had stated that in his opinion the criticism of the millowners was unwarranted and unjustifiable. The Corporation, he said, had a very large programme affecting the water-works this year. He did not think that the mill industry was over-taxed. He further argued that the mill industry should first agitate for the removal of an admittedly unjust and iniquitous tax like the Cotton Excise Duty before complaining of the additional burden imposed on the industry in the shape of an enhanced water tax. My Committee do not deem it necessary at this stage to challenge the opinion and argument of the late Chairman of the Standing Committee, although it could be clearly demonstrated that both are without foundation and irrelevant to the present issue.

19. At a meeting of the Corporation held on the 20th Janauary, 1925, Mr. H. P. Mody, the Association's representative on the Corporation, moved an amendment that the Budget Estimate in respect of the revenue for the year 1925-26 from water tax be adopted at Rs. 69,00,000 instead of Rs. 71,46,500 as proposed by the Standing Committee, the estimate in respect of receipt from water supplied by meter measurement for (*a*) cotton and other mills and (*b*) bleaching mills being calculated at the rate of twelve annas per 1,000 gallons instead of Re. 1 as proposed. This amendment was thrown out.

20. I am directed to add that the Bombay Chamber of Commerce have associated themselves with the views of my Committee regarding the water tax and have already addressed a letter to the Municipal Secretary on the subject.

21. My Committee further desire me to point out that the Municipality has in the past made a huge surplus every year on water revenue, which has averaged nearly Rs. 6 lakhs for the last six years. It may be pointed out that this is contrary to the provisions of the Municipal Act which do not permit of any surplus being made on the water revenue —Section 140 (*a*) of the Act authorising the imposition of a tax which shall be reasonable with reference to the expense of providing a water-supply for the city.

22. My Committee are confident that the facts and figures mentioned above will convince you and will also convince the Corporation of the inadvisability and unfairness of increasing the water rate to mills and will further satisfy them that there is an overwhelming case for at least retaining the water tax at its previous level of twelve annas, if not for reducing it further.

23. My Committee trust that it will be recognised that justice requires that the whole question should be reconsidered and I am to repeat what my Committee have already brought to your notice by their letters of the 7th, 9th and 24th January, 1925.

24. I am next directed to address you regarding the report which the Income Committee of the Corporation have recently submitted to the Corporation containing detailed proposals in regard to terminal taxes which they suggest might be levied to replace the present system of refundable town duties.

25. In this connection Mr. H. P. Mody was originally nominated to represent the views of this Association before the Committee, but in June 1923 Mr. S. D. Saklatvala replaced Mr. H. P. Mody as the Association's representative when the latter became President of the Corporation.

26. On the 9th of July, 1923, Mr. Saklatvala with the representatives of the Bombay Chamber of Commerce and the Indian Merchants' Chamber discussed the list of articles which it was then considered advisable to make subject to a terminal tax. It appears that the Income Committee invited suggestions generally and particularly with regard to the possibility of increasing the number of articles upon which a light terminal tax might be levied. On the 17th July, 1923, Mr. Saklatvala tendered to the Income Committee certain proposals which had been previously approved by this Association and at the close of his letter indicated the extreme desirability of having another opportunity of meeting the Income Committee for a discussion of the conclusions reached by them as a result of the suggestions made by this Association, the Indian Merchants' Chamber and the Bombay Chamber of Commerce.

27. Notwithstanding the above, the Income Committee submitted their final report to the Corporation without having given the representatives of this Association and the other two leading commercial bodies above named a chance of expressing their opinions thereon.

28. My Committee believe that the schedule and the rates at which it is proposed to levy the tax are open to serious objection in certain instances. In case of articles like coal, oil, stores, etc., the proposed terminal tax will be an additional burden on mills in Bombay, because these goods are already subject to heavy import duty, and under these circumstances my Committee suggested to you in their letter of the 7th January that the report be referred back to the Income Committee with a recommendation that important industrial, mercantile and commercial bodies be consulted.

29. My Committee have already in their letter of the 24th January explained that their chief criticism of the proposed schedule is that it contains several articles which are used almost exclusively by cotton mills and therefore violates the principle laid down by the Income Committee themselves, *viz.*, that the burden of taxation should be distributed as equally as possible amongst the tax-paying community.

30. My Committee direct me to point out that they have no objection, in principle, to a non-refundable tax, but they cannot contemplate with equanimity the schedule which has been framed by the Income Committee and which, if adopted by the Corporation, would entail an additional tax on the industry of about 8 lakhs of rupees.

31. My Committee particularly request that you will bring their views as expressed in paragraphs 24 to 30 inclusive before the Corporation.

32. Since the 1st Jannary, 1921, a town duty of Re. 1 per bale has been levied on raw cotton imported into Bombay, which town duty costs the mills from Rs. 10 to Rs. 11 lakhs annually. The said town duty was levied to make up the loss which it was anticipated would be sustained by letting on very low rents, the chawls erected for millhands under the Bombay Development Scheme. I am desired to observe that in no other country employers would be asked to contribute towards the expenses of building residential quarters for their employees. It is, however, well known that the millhands have, in fact, not been able to take advantage of the chawls in question on account of the high rents charged and for other reasons and the said chawls have been let at high rents to others, and under the circumstances there can, it is submitted, be no doubt as to the sheer injustice of the said burden of Rs. 10 to Rs. 11 lakhs annually charged upon the mill industry of Bombay.

33. My Committee desire to draw your attention to the excessive burdens of taxation, Imperial, Provincial and Municipal, imposed upon the cotton mill industry of India. To the Government of India the mill industry has to pay the 3½ per cent. excise duty and in addition 15 per cent. on all stores, dyes, chemicals, etc., imported for use in mills. Besides, the industry has to bear 2½ per cent. duty on all machinery imported by them, and this tax may without fear of contradiction be characterised as a 'Capital Levy' of 2½ per cent. Then if the industry makes a profit, Government claim a very large share of it by way of income-tax and super-tax. Lately the mill industry has been subjected to a tax of Re. 1 per bale of cotton, this tax being imposed for the benefit of the Development Department of Bombay in order that the rents charged for workmen's dwellings may be reduced. The millhands are, however, not in a position to take advantage of these chawls owing to the high rents demanded and these chawls are now let to others. Then there is a further tax of four annas per bale of cotton for the purposes of the Central Cotton Committee. Recently the Workmen's Compensation Act has gone to swell the burdens already imposed upon the industry. Each of these various taxes may amount to a small sum individually, but collectively they amount to a large sum and thus hamper industrial growth. My Committee submit that so far as the City of Bombay is concerned, its prosperity, to a verylarge extent, is due to the mill industry, and it is not right or proper that the progress and development of the city's premier industry should be hampered by this excessive burden of taxation. As is well known, the indigenous industry finds it increasingly difficult to hold its own against competition from Japan which, owing to a very high degree of protection afforded by its Government, is able to sell in the Indian market piece-goods at prices which are very often less than the cost of identical goods turned out by Indian mills. This Association wishes to submit most respectfully that the city's Corporation should be the last to adopt a policy calculated to hamper the healthy development of its greatest industry, particularly at present when the industry is passing through a period of unparalleled depression and when it stands urgently in need of being relieved of a portion of its burdens instead of being saddled with additional taxation.

34. In conclusion, I am directed to request that you may be pleased to receive a deputation from this Association so that the grievances of the Bombay mill industry as regards the heavy burden of Municipal taxation imposed thereon may be fully discussed, and a fair and equitable arrangement be arrived at.—I have, etc.,

J. P. WADIA,
Acting Secretary.

No. MC/47/D of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, *27th April*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to acknowledge the receipt of your letter No. 579/51 dated the 22nd April, 1925, and to state that, if you so desire, I shall arrange to meet a deputation of the Association as soon as I have gathered certain information.—I have, etc.,

H. B. CLAYTON,
Municipal Commissioner.

No. A/150 of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, *25th August*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to refer to your letter No. 579/51 of the 22nd of April, 1925, and in doing so to express my regret that various causes, including indisposition, have operated to prevent me from dealing with it at an earlier date. I have now received and considered the

reports of all the officers concerned and am prepared either to reply *seriatim* to your letter or, as proposed in para 34 thereof, to meet a deputation in a friendly way to discuss the points at issue. If your Association prefers the latter course, I would suggest Thursday, September the 3rd, at any time between 12 midday and 3 p.m. (S.T.) as suitable. I shall doubtless have a Corporation meeting at 3-40 p.m. (S.T.). So, it will be hardly advisable to fix a later hour. If this time is inconvenient, I will do my best to give another time more suitable for the Association if you will suggest it. I should be glad to learn from you at an early date whether you desire me to reply in writing, in the first instance, or to discuss the matter as proposed.—I have, etc.,

H. B. CLAYTON,
Municipal Commissioner.

No. 991/51 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *27th August*, 1925.

THE MUNICIPAL COMMISSIONER
FOR THE CITY OF BOMBAY, BOMBAY.

SIR,

I am directed to acknowledge receipt of your letter No. A/150 dated 25th August, 1925, and to tender you my Committee's best thanks for agreeing to meet a deputation from this Association for a discussion of the various points raised in the Association's letter of 22nd April. The deputation will probably consist of the gentlemen named below and they desire to meet you on Thursday, 3rd September, at 12-30 p.m. (S.T.) It is hoped this will be convenient to you.

N. N. WADIA, ESQ., C.I.E., M.L.C. (*Chairman*).
RATANSI D. MORARJI, ESQ. (*Deputy Chairman*).
SIR DINSHAW M. PETIT, BART.,
N. B. SAKLATVALA, ESQ., C.I.E.
H. P. MODY, ESQ.,
JEHANGIR BOMANJI PETIT, ESQ., and
F. STONES, ESQ., O.B.E.,

I have, etc.,

J. P. WADIA,
Acting Secretary.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *7th September*, 1925.

TO THE COMMITTEE.

GENTLEMEN,

In accordance with the resolution passed at the meeting of the Committee held on 4th May, 1925, we met the Municipal Commissioner in his office on Thursday, the 3rd September, 1925, and give below an account of our discussion with him regarding Municipal taxation and other matters which have formed the subject of correspondence between the Association and the Municipal Commissioner.

2. Mr. Robottom, the Assessor and Collector of Taxes, was present throughout the discussion, and at a later stage when the question of anti-malaria action in respect of mill tanks was considered, Dr. Sandilands, the Health Officer, was invited to take part in the discussion.

3. For facility of reference we have attached to this report a copy each of the Association's representations to the Municipal Commissioner dated 23rd January, 1925, and 22nd April, 1925.

4. The first subject discussed was the Halalkhore tax. In this connection we emphasised the points brought out in paras 6 and 7 of our representation of 22nd April, 1925, and urged that a good case had been made out for the Commissioner to use the

discretion vested in him under Section 172 to fix the rate of Halalkhore tax payable by mills at a lower rate than the one hitherto charged. The Commissioner contended that statistics compiled by the Municipality went to show that the Municipality was not overcharging the tax-payers for the work in connection with the removal and disposal of excrementitious and polluted matter from privies, urinals and cesspools. The fact that the mills of the city had been fitted with water-flushes in the sanitary conveniences provided for the workpeople did not warrant, in the Commissioner's opinion, a reduction in the Halalkhore tax, for, he pointed out that this argument might be brought forward by private houseowners. The Commissioner also contended that the Municipality could not be expected to make any allowance on account of the pumps which had been installed in certain mills where the levels of mill drains were lower than the municipal drains, so that the sewage might be pumped to the higher level in order to cause it to flow into the municipal drains.

5. We were more successful with the Commissioner while discussing with him the question of water tax. He appeared to be impressed with the facts and figures mentioned in para 16 of our representation of 22nd April, 1925. From figures of 1924-25, it was ascertained in discussion that the cotton mills consumed only 1/17th of the total amount of water used, but they paid no less than 1/7th of the total revenue derived from the water tax. We urged that mills had a very strong case for demanding a reduction in the present exorbitant rate of water tax, and the Commissioner agreed to place our case before the Standing Committee for their consideration.

6. We did not deem it necessary to discuss the subject of terminal tax, for the matter will in due course come up before the Government of India, and it would be best for us to take up the matter with the Government of India at the proper time.

7. We next drew the Commissioner's attention to our letter of 23rd January, 1925, wherein we had dealt with the question of the assessment of the rateable value of mills and extensions to mills completed since 31st March, 1916. The Commissioner stated that he did not want to go into this question in detail, and that he was not just then in a position to give a definite reply on the subject. He, however, admitted that the contention advanced by us in our letter of 23rd January in respect of assessment of mills which were extended since 31st March, 1916, was fair and reasonable, and that we had made out a good case in support of our request that the mills built or extended since 31st March, 1916, should not be charged 25 per cent. extra in assessment as a result of the agreement of 1923, for, when settling this, somehow or other, the case of such mills was overlooked. The Commissioner promised that the matter would be very sympathetically considered and that the necessary orders would be issued for the readjustment of the extra amount.

8. The last question discussed was the one relating to the anti-malaria action in respect of the mill tanks. The Commissioner stated that there was no doubt that these tanks were breeding places for mosquitoes and constituted a danger to health. He emphasised that some measures would have to be effected sooner or later to eradicate this alleged source of danger to health. We pointed out the grave practical difficulties in closing up or covering the mill tanks, and also the objections raised by the Bombay Fire Insurance Association in their letter to our Association dated 1st July, 1925, a copy of which was forwarded by the Committee to the Municipal Commissioner on 21st July, 1925. He said that he had a conference with the Committee of the Fire Insurance Association and that Association would be satisfied if a water-tight tank of the capacity of 2½ lakhs gallons was provided to meet their requirements. It was decided that Dr. Sandilands should go into the whole question with our Mr. Stones, and that pending a report from Dr. Sandilands and Mr. Stones, no further notices would be served by the Municipal Commissioner calling upon mills to fill in or cover their tanks.—Yours faithfully,

N. N. WADIA,
JEHANGIR B. PETIT,
FRED STONES,
DINSHAW PETIT,*
H. P. MODY.

J. P. WADIA,
Acting Secretary.

* I was not able to attend the conference with the Commissioner.

APPENDIX 31.

REFUND OF MUNICIPAL TAXES FOR THE STRIKE PERIOD.

A.&C/No. 4273D of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, *7th November*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to say that it has been brought to my notice that millowners and their agents withhold payment of municipal bills on the ground that they have applied for refund on account of closure of mills.

I enclose herewith a copy of the rules laid down for the purpose of claiming refund on account of closure of mill and request you to draw the attention of the millowners to the procedure to be followed. Any refund that may be admissible on account of closure of mills will be allowed after the proposals are submitted for audit in the usnal way. I shall therefore thank you if you will be so good as to advise the millowners and their agents that property tax bills are payable half-yearly in advance in accordance with Section 197 of the Municipal Act.—I have, etc.,

(ILLEGIBLE),
Acting Assessor and Collector.

RULES RE: CLOSURE OF THE MILLS.

(*a*) Notice in writing to be sent to the Municipal Commissioner on closure of the mills.

(*b*) The closure in each case must be for not less than 60 consecutive days.

(*c*) On the mill resuming work immediate notice in writing is given.

(*d*) Only one application will be entertained for each official half-year (*i.e.*, April to September and October to March).

(*e*) Notice of continued closure must be given within 7 days from the commencement of each half-year.

No. 1382/31 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *28th November*, 1925.

THE ACTING ASSESSOR AND COLLECTOR OF MUNICIPAL TAXES,
BOMBAY MUNICIPALITY, BOMBAY.

SIR,

I am directed to acknowledge receipt of your letter No. A&C/4273D dated 7th November, 1925, forwarding a copy of the Rules laid down for the purpose of claiming refunds of municipal taxes on account of the closure of the mills.

2. My Committee understand that the mill agents intimated to the Municipality last September the closure of mills owing to the general strike of millhands. It was, however, not known generally that under the rules another notice was necessary in respect of the official year commencing with 1st October, and it appears that several mills did not submit the second notice in time. However, on receipt of your letter of the 7th instant the mills were asked to submit a separate notice in respect of the six months commencing with 1st October. Had official intimation of the rule been given to the Association last September, members of the Association would certainly have again notified to the Municipality the

continued closure of the mills. Considering that the closure of the mills owing to the general strike of the millhands is a fact well known to the public and that the intimation of the rules was not given to the Association in time, my Committee trust you will agree that it would be inequitable to disallow any refunds on the technical ground that mills did not submit the second notice in time. An assurance from you to this effect would be greatly appreciated by this Association. It need hardly be added that in future the formalities required by the Municipality in this connection will be carefully complied with.

3. My Committee, however, desire me to urge that in their opinion Sections 174 and 175 of the Bombay Municipal Act should be made applicable in the case of cotton mills closed on account of strike or other reasons for the period laid down in those sections, and there would appear to be no justification for special rules being framed in the case of mills.

4. If it be held for any reason that mills closed during a strike cannot be said to come within the operation of the above-mentioned sections then my Committee submit that the special rules in the case of mills should be at least framed on the lines of those sections. The rules forwarded by you are calculated to mete out less favourable treatment to mills than to other assessees who are entitled to the benefit of Sections 174-175 and my Committee respectfully submit that such differential treatment is inequitable and against the spirit of the Act.

5. Under Section 174 of the Act, the whole of the Halalkhore tax for the period the premises remain vacant has to be refunded provided the period of vacancy is not less than thirty consecutive days. Under the special rules for mills, a closure of sixty consecutive days is necessary before the refund can be claimed, and nothing is stated in the rules as to whether the whole amount would be refunded or not. As a matter of fact instances have occurred where full refund was not granted.

6. Again, under Section 176 (3), when a vacancy continues from one half-year into the next following half-year the notice is required to be given to the Commissioner within thirty days from the commencement of the next following half-year. My Committee submit it is not fair that in the case of mills the period should be reduced to one of seven days.

7. My Committee trust the points mentioned above will be very sympathetically considered by the Municipality and that the necessary orders will be passed forthwith to prevent any injustice being done to the mills in the matter of refunds.

8. The favour of an early reply will be much appreciated.—I have, etc.,

T. MALONEY,
Secretary.

No. A & C/4273/D of 1925-26.

MUNICIPAL COMMISSIONER'S OFFICE,
BOMBAY, *5th January*, 1926.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

Referring to your letter No. 1382/31 dated 28th November, 1925, addressed to the Assessor and Collector, I have the honour to state that silent mills are not entitled to the benefit of refund of property taxes claimable on the ground of vacancy under Sections 174 and 179 of the Municipal Act.

I have, however, in view of the difficulties pointed out by you ordered that the lateness in giving notice of the continued closure of the mills should be condoned and that one third reduction in the valuation of the closed miils should be allowed from the date of notice of closure received by the Assessor and Collector up to the 1st December, 1925, the date on which the strike ended.—I have, etc.,

N. D. MEHTA,
Deputy Municipal Commissioner.

APPENDIX 32.

BATHING PLACES FOR MILL OPERATIVES.

No. C.S./19-A of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, 15*th August*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

The Sanitary Measures Committee of the Corporation at their meeting held on 9th July suggested the opening of negotiations with the millowners in the city on the question as to whether they would be prepared to provide bathing places for the employees working in their mills.

I should be obliged if you would furnish me with information as to the views of the millowners on this question and state whether such bathing places have already been provided in any of the mills in Bombay.

In France, as you are no doubt aware, the provision of baths for workers in coal mines was made compulsory by law more than 10 years ago.—I have, etc.,

H. B. CLAYTON,
Municipal Commissioner.

No. 1010/117 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 1*st September*, 1925.

THE MUNICIPAL COMMISSIONER FOR THE CITY OF BOMBAY,
BOMBAY.

SIR,

I am directed to acknowledge receipt of your letter No. C.S./19-A dated the 15th August, and to state in reply that my Committee see no reason why millowners should be expected to provide bathing places for the employees working in their mills. There can be no comparison between the case of workers in coal mines in France and the case of operatives working in the cotton mills of Bombay.

My Committee regret it is not possible for them to entertain the suggestion made by the Sanitary Measures Committee of the Corporation.—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 33.

CONDITIONS OF LABOUR IN INDIAN MILLS.

SHAWOOD, COLINTON,
EDINBURGH, 18*th August*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I take the liberty of sending you the enclosed cutting from to-day's *Scotsman* containing statements reported to have been made at the Annual Conference of the Amalgamated Unions of Operative Bakers, Confectioners and Allied Workers at Nottingham with regard

to the employment of children in the Bombay cotton mills. I feel perfectly certain that the facts are not in accordance with the statements made and as so many statements of a similar character are made and appear in the Press unchallenged I think it would be well if steps were taken to nail this one to the wall. The subject of the remarks is a pet theme at home at present and if nothing is done to controvert these statements they will be taken up by other speakers and there is no saying what mischief they may lead to—as witness Shanghai and the agitation that has been going on in that connection.—Yours faithfully,

A. G. WATSON.

No. 1107/3 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *25th September*, 1925.

A. G. WATSON, ESQ.,
SHAWOOD, COLINTON,
EDINBURGH.

DEAR SIR,

I am directed to acknowledge receipt of your letter of the 18th ultimo and to tender you my Committee's best thanks for having drawn their attention to the grossly inaccurate statements made by Messrs. Banfield and Ferris at the Fifteenth Annual Conference of the Amalgamated Union of Operative Bakers, Confectioners and Allied Workers.

2. My Committee will feel much obliged if you will kindly forward the enclosed letter to the Editor of the *Scotsman* for publication in his paper. The letter would have been sent direct to him but for the fact that the exact address of the *Scotsman* is not known.

3. It is really very unfortunate that such grossly misleading statements should be made regarding the cotton mill industry of this country and my Committee are very grateful to you for having drawn their attention to the matter. It is hoped that after the letter to the *Scotsman* statements such as those made by Messrs. Banfield and Ferris will not be repeated.

Again thanking you for your trouble.—I remain, etc.,

T. MALONEY,
Secretary.

No. of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *23rd September*, 1925.

THE EDITOR,
THE "SCOTSMAN," EDINBURGH.

SIR,

I am directed by the Committee of my Association to request you to allow me a little space in the columns of your esteemed paper in order to contradict categorically certain statements made by Mr. W. Banfield, General Secretary, and Mr. T. Ferris, Vice-Chairman of the Amalgamated Union of Operative Bakers, Confectioners and Allied Workers at the Fifteenth Annual Conference held at Nottingham in August last, and reported in your paper on August 28th.

Mr. W. Banfield made the entirely ridiculous statement that "the capital which ran the cotton mills in Bombay was the same as that which ran those in Lancashire." There is no Lancashire capital in the cotton mills of Bombay, and practically the whole of the share capital is held by Indians, and in the majority of cases the management is entirely in the hands of Indians.

At a later stage of the proceedings, Mr. T. Ferris made the amazing statement, " that children of five were working in the mills and at the age of seven were working twelve hours per day and seven days per week."

Never in the history of the cotton industry of India have any such conditions existed and to-day the conditions of work in India for labour of all classes compare favourably with any country in the East.

If Mr. Ferris would take the trouble to enquire he would find that working conditions are regulated by very strictly enforced Factory Acts and Regulations. For his information and for the benefit of the general public it should be stated that the Factory Acts provide:-

(1) No person (man, woman or child) shall be employed more than sixty hours inany one week..

(2) No child shall be employed in any factory unless he is more than 12 *years of age,* and has been certified by a qualified medical practitioner as physically fit to be employed in a factory.

(3) No person under 15 may be employed more than six hours per day.

(4) No child between 12 and 14 and no woman, whatever her age, shall be employed in any factory before half-past five o'clock in the morning or after seven o'clock in the evening.

As a matter of fact, no cotton mill in Bombay works more than ten hours per day, and no mill starts work before 7 o'clock in the morning. There is an hour's break for the midday meal from twelve noon to one o'clock and no child works more than five hours per day.

It would be far more to the point if Mr. Ferris and his friends turned their attention to the conditions of labour in Japanese mills where women and children are employed twelve hours a day and throughout the night.

The following extract from an article by T. Kadgistomo in the *Osaka Mainichi,* one of the most widely circulated daily newspapers in Japan, should provide Mr. Ferris with food for thought, and give Lancashire an idea as to why they are losing their trade in India, East Africa, China and the Levant:—

" The mills are at work day and night, all the year round with never a day off, but for a few near New Year and Bon holidays and the girls are kept at work twelve hours a day; the night shift succeeding the day shift workers at 6.0 p.m to be at work till 6.0 next morning when the day shift take their place. In each case reigns a steady twelve hours' work with but an hour's rest at noon or at midnight. This is slavery. . . .

" I found out further that these girls are made to sleep twenty of them in a room of twenty mats in the factory dormitory. What with twelve hours work out of twenty-four and being packed like sardines in a box at night, it is no wonder that many of them go home with wrecked health, only to seek rest in their early graves. Early I say because most of them are young girls of twelve to fifteen and four or five years of exacting physical mental labour must sap their vitality."—Yours faithfully, etc.,

T. MALONEY,
Secretary.

SHAWOOD, COLINTON,
EDINBURGH, *17th October*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I have to thank you for your letter No. 1107/3 of 25th September, and have had pleasure in handing over your letter to the *Scotsman* office for publication. It appeared in the issue of the 14th instant and I enclose a cutting of it.

I am glad you refuted the statements made. The *Scotsman* is the principal daily paper in Scotland, is published in Edinburgh and has a wide circulation and it is well that such irresponsible statements as those which were made should not be allowed to circulate without being contradicted.

You'll notice the Editor has deleted that portion of your letter which referred to conditions in Japan, but that is after all immaterial to your purpose in view.—Yours faithfully

A. G. WATSON,

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *7th November*, 1925.

A. G. WATSON, ESQ.,
SHAWOOD, COLINTON, EDINBURGH.

DEAR SIR,

I am directed to acknowledge receipt of your letter of 17th October with enclosure, and to tender you the Association's best thanks for all your kind trouble.—Yours, etc.,

T. MALONEY,
Secretary.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *6th November*, 1925.

THE EDITOR,
"THE ASIATIC REVIEW,"
WESTMINSTER CHAMBERS, 3, VICTORIA STREET, LONDON, S.W.1.

DEAR SIR,

The attention of the Committee of the Bombay Millowners' Association has been drawn to the article on "Labour Legislation in India" contributed to the October number of your Review by Lady Chatterjee.

2. Many of the views expressed by Lady Chatterjee are such as would not be endorsed by those who have practical experience of the needs of Labour in this country. My Committee, however, do not propose to offer any criticisms on the views expressed by Lady Chatterjee, but they desire your and Lady Chatterjee's attention to be drawn to the fact that certain statements made by her are not in accordance with facts.

3. In more than one place in her article Lady Chatterjee has stated that in the Bombay cotton mill industry wages of operatives are paid six weeks in arrears. This is not true, for the operatives get their wages for a particular month within the first ten to fifteen days of the succeeding month.

4. The remarks made in the last paragraph but one of the article regarding fines are also wide of the mark. Lady Chatterjee says, " many firms have very elaborate systems of fines in force. Not only do they make deductions of wages for double the length of absence, but they also withhold wages when workers leave without giving due notice. The fines relating to faulty work are also in many cases severe. As the workers are, in the majority of cases illiterate, and as wages are, in the Bombay cotton mill industry, for instance, paid six weeks in arrears, it is not possible for them either to check the amount of the fines deducted from their wages or even to comprehend exactly for what reasons the fines have been imposed."

The above statement constitutes a complete travesty of the true facts so far as the cotton mill industry is concerned. Fines are imposed only when workmen turn out bad work, *e.g.*, when cloth is spoilt and unsaleable. The fines, however, are comparatively very light. It is entirely incorrect to say, as Lady Chatterjee does, that reduction of wages is made for double the length of absence. It is regrettable that starting from wrong premises that wages are paid six weeks in arrears, and that heavy fines are imposed on workmen, Lady Chatterjee draws conclusions which are altogether unwarranted.

5. As regards the Weekly Payments Bill introduced by Mr. Chaman Lal in the Legislative Assembly and which meets with the warm approval of Lady Chatterjee, she and your readers generally will be interested to know that some months before Mr. Chaman Lal's Bill was introduced His Excellency Sir Leslie Wilson, Governor of Bombay, personally took up with this Association the question of making fortnightly payments to mill-workers instead of monthly payments as hitherto. Individual members of the Association were requested to elicit the opinion of the workpeople as to whether they would prefer monthly or fortnightly wages. An overwhelming majority of workpeople expressed themselves strongly opposed to the introduction of the system of fortnightly payments of wages and insisted on the continuance of the present system. My Committee desire me to draw your special attention to pages 105—107 and 408—416 of the Association's Report for 1924, a copy of which I have pleasure in forwarding to you in a separate cover for your kind acceptance. You will find therein set forth the views of the mill operatives in great detail. If the mill operatives had shown any preference for the system of fortnightly payments, the Association would have certainly asked its members to pay wages to operatives every fortnight. In the light of this information you will agree that Lady Chatterjee's remarks in connection with Mr. Chaman Lal's Bill are not well-founded and take no cognisance of the real needs and wishes of Indian labour.

6. At present the cotton mill industry is passing through a very grave crisis, and at such a time the misstatements made by a person in the position of Lady Chatterjee are likely to do incalculable mischief. My Committee therefore trust you will be good enough to spare some space in your valued Review for the publication of this letter which sets forth the correct facts.—Yours faithfully,

T. MALONEY,
Secretary.

" THE ASIATIC REVIEW,"
LONDON, 26th *November*, 1925.

The Editor begs to thank the Secretary of the Millowners' Association for the letter of November 6th, bearing on Lady Chatterjee's article in the October issue, and is arranging for the publication of the criticisms in the next (January) issue. Previous to the receipt of your letter, he had already had a communication from the author upon the same subject.

Extract from the "Bombay Chronicle," 30th October, 1925.

BOMBAY MILL STRIKE.

SYMPATHY OF WORLD'S WORKERS.

INTERNATIONAL FEDERATION OF TRADES UNIONS' APPEAL.

The Secretariat of the International Federation of Trades Unions, Amsterdam, issued the following appeal to the world's workers on behalf of the mill operatives of Bombay on 29th October, 1925:—

International Relief for India.

(I. F. T. U.) As has already been announced, 20,000 workers in the Bombay cotton factories went on strike on September 15th. The number of the strikers increased very quickly and there are now 150,000, out of a total of 156,000 employed in the whole Bombay textile industry, standing out. The strike is the result of an attempt on the part of the employers to cut down wages. The workers are already very badly paid, and they are rightly making a determined stand to defend the little they have.

As up to the present it has not been possible to reach an agreement, the All-India Trade Union Congress has sent a telegram to the International Federation of Trade Unions, asking for international relief.

Although the Indian trade unions are not yet affiliated to the I. F. T. U., the Executive considered that the appeal should be answered and a relief action organised. The All-India Trade Union Congress has made good progress within the last few years, and is doing everything it can to improve the wretched lot of the Indian workers, and their efforts have already met with success in some cases. It is to be hoped that the Indian trade unions will be so well developed before long that they will be able to enter the international trade union movement on an equal footing with the other national movements.

The I. F. T. U. has already wired a sum of money to India from the funds at its disposal, as a token of the solidarity of its affiliated organisations. It has now asked the National Centres to place further means at its disposal, which it can transmit immediately by telegraph to India. It is left to the National Centres to decide whether they will draw from their funds for this purpose, or make special collections.

The Textile Workers in Bombay are Starving.

(I. F. T. U.) The full significance of the textile workers' strike in Bombay, and the heroic resistance which is being offered, can only be fully appreciated when it is realised that their conditions of living were so bad, even before the strike, that it would have been no wonder if the half-starved wretches had not been able to summon up enough energy to defend themselves. That they have done so is a fine proof of the awakening class-consciousness; and if they are supported, it will mean not only solidarity in the usual sense, but a recognition of the will to social progress in the East, a fact of great importance to the European workers. For Europe too it is a matter of great moment that the starvation wages of the Indian textile workers shall not be reduced any further.

There has been no change in the situation of the strike.

Two or three mills have opened their doors again, but only a few hundred workers have gone back. The factories had arranged to pay their operatives their wages for September at a reduced rate, but hardly a handful of men turned out to receive their pay, and a large number of men who were assembled round the mills refused to receive wages with a cut. The strike is going on with undiminished vigour. But starvation is staring them in the face. The Indian workers are turning their eyes to the West, and it is the duty of the workers of the West to help them.

Statement issued by the Committee of the Bombay Millowners' Association dated 26-11-1925.

The attention of the Bombay Millowners' Association has been drawn to an appeal recently issued by the Secretariat of the International Federation of Trade Unions, Amsterdam, to affiliated trade unions on behalf of the mill operatives of Bombay. Similar allegations to those contained in this appeal, with regard to the wages and conditions of living of the Indian textile workers have at various times been made in and outside Parliament and in the Press, and the Bombay Millowners' Association take this opportunity of refuting these totally incorrect statements which can only have been made through ignorance or wilful perversion of facts.

The allegation which is made by the International Federation of Trade Unions and which the Association wish specifically to contradict is that the workmen in the Indian textile industry receive " Starvation Wages " and that their conditions of living are so bad that " it would have been no wonder if the half-starved wretches had not been able to summon up enough energy to defend themselves."

The real facts are as follows :—

Wages: (1) Wages are 93 per cent. higher than in 1914, *vide* the 1923 Census of Wages taken by the Government of Bombay. Hours of work were voluntarily reduced from 12 to 10 by the Bombay Millowners' Association three years before the Government of India ratified the Washington Hours of Labour Convention without any reduction being effected in the pay of the workers, which means that rates of wages have been increased by more than 130 per cent. between 1914 and 1923. Over and above this increase during five years of prosperity, each year, bonuses amounting to one month's wages were given to the operatives.

Housing: (2) During the last few years many mills have put up substantial buildings at considerable expense for housing their operatives. The rents charged for these dwellings have been greatly below the economic rent, and bring a merely nominal return on the capital expended.

In addition to this, the Bombay mill industry makes an annual contribution of 10 to 12 lakhs (nearly £ 90,000) to the Bombay Government housing schemes for industrial workmen in the City of Bombay.

(3) Facilities are given to the operatives for the purchase of food-stuffs and cloth at rates below the market rates.

(4) Free medicine and free medical attention are given to operatives in the dispensaries attached to every mill.

(5) In addition many mills have established welfare organisations with a view to improving the lot and the social status of the workers.

In regard to the general conditions of work obtaining in the textile industry of Bombay the Association need only quote the following extract from the *Bombay Labour Gazette* which is the official publication of the Bombay Government on Labour matters :—

> " As to the conditions under which they work, this country possesses an efficient and active body of Factory Inspectors and the conditions in mills are supervised closely under a detailed Factories Act, which has been in existence for many years and kept up to date by amendments and rules.
>
> "In considering the conditions under which Indian workmen live, it is not legitimate to compare them with the conditions under which English workmen or English middle-class families live in England. They can only be compared with (*i*) the conditions of living in the village homes from which the workmen or their ancestors came, or (*ii*) the conditions of living of Indian middle-classes in Bombay. The homes both of Indian villagers and middle-class families in Bombay are small in floor space and bare of furniture. It is hoped that the Labour Office may some day be able to present accurate statistics of these phenomena. In the meanwhile it is only necessary to emphasise that the improvement of Indian working class conditions, for which all the better employers as well as Government and various charitable organisations are continually striving, depends partly on creating first a desire for that improvement."

The facts which have been enumerated in the preceding paragraphs speak for themselves. The best commentary that can be made with reference to the accusation of " Starvation Wages " being paid in the Bombay textile mills is that there is a very considerable amount of absenteeism in the mills which has been officially estimated in a special Government Enquiry at more than 11 per cent. and much of this absenteeism has been admitted on all

hands as voluntary. There is not the slightest doubt that if he were so inclined, the Bombay textile operative could earn a substantially higher wage than he does at present by greater regularity in attendance. One of the effects of this absenteeism is that the efficiency of Indian labour, poor as it is, is further lowered both as regards quality and output. As a matter of fact, Indian labour, taking into consideration the number of hands which have to be employed, and the quality of the output, is relatively extremely expensive.

The wages paid in the Bombay mill industry are higher than those obtaining in other parts of India and in other Indian industries, and it may be stated that the mill industry of Bombay is the best paid industry in India.

In conclusion, the Bombay Millowners' Association feel that they cannot do better than quote from the statement issued by the Director of Labour with the Government of Bombay in the official *Labour Gazette* for September 1924, when, in answer to certain statements made to the meeting of the British Trade Union Congress in London, after giving figures showing wages of millworkers and clerks in the three chief industrial centres of the Bombay Presidency, the Director concludes :—

> " These figures show that the millhands are able to command wages which compare very favourably with the wages of clerks. And the clerical classes in India are of the same type from which emanate lawyers and members of the Legislative Councils. When the wages of the least skilled class of millhands vary from a little over half to nearly the same as those of the clerical class it cannot be said that the millhands are at all down-trodden."

APPENDIX 34.

PROVISION OF CRECHES IN MILL AREA.

Proceedings of a Special Meeting of the Committee of the Bombay Millowners' Association, held on Tuesday, 14th July, 1925, at 2-30 p. m.

The Hon. Mr. Cowasji Jehangir, C.I.E., O.B.E., J.P., Member of the Executive Council of the Government of Bombay, and Mr. C. W. A. Turner, I.C.S., Secretary to the Government of Bombay, General Department, having expressed a desire to discuss with the Committee the question of establishing creches in the mill area, a special meeting of the Committee was held for the purpose on Tuesday, 14th July, 1925, at 2-30 p.m. (S.T.), when besides the Hon. Mr. Cowasji Jehangir and Mr. C. W. A. Turner, the following members were present:—

N. N. WADIA, ESQ., C.I.E. (*Chairman*)

THE HON. SIR DINSHAW E. WACHA, KT.,
SIR FAZULBHOY CURRIMBHOY, KT., C.B.E.
J. A. KAY, ESQ., M.L.C.,
JEHANGIR B. PETIT, ESQ.,
H. P. MODY, ESQ.,
H. H. SAWYER, ESQ.,
F. STONES, ESQ., O.B.E.,
H. F. COMMISSARIAT, ESQ.,
and
J. P. WADIA, ESQ. (*Acting Secretary*).

The Chairman opened the proceedings by welcoming the Hon. Mr. Cowasji Jehangir, an ex-member of the Committee, and expressing the Committee's gratification at seeing the Hon. Mr. Cowasji Jehangir once again in their midst, though not as a member of the Committee but as a member of the Executive Council of His Excellency the Governor of Bombay.

The Hon. Mr. Cowasji said he was much pleased to meet the Committee of the Association and wished prosperity to the Association.

He next went on to say that his object in meeting the Committee of the Association was that Government wanted to discuss with millowners the question of establishing creches for the use of children of women employed in the mill industry. He referred to the resolu-

tion passed by the First International Labour Conference held at Washington in 1919 concerning the employment of women before and after childbirth, and to the Conference held in Simla in May 1921, when the suitability of the Washington resolution to the conditions prevailing in India was fully discussed. The Hon. Mr. Cowasji said that the conclusions reached by the Simla Conference were communicated to this Association by Government, and the Association in their letter dated 1st July, 1921, had expressed their opinion that a very great deal could be accomplished by means of voluntary help from the factory owners. At this stage the Chairman stated that the position had changed since then, and he pointed out that the Government of Bombay themselves in their letter dated 13th February, 1925, had stated that the provision of creches should not be made obligatory on the millowners. The Hon. Mr. Cowasji Jehangir replied that he would explain in a moment that it was not the intention of the Government of Bombay to ask for contributions in cash from the millowners.

The Hon. Mr. Cowasji Jehangir went on to say that the Government of Bombay had nothing to do with the Maternity Benefits Bill introduced by Mr. Joshi in the Legislative Assembly. The Government of Bombay had already expressed the opinion that the Bill was impracticable. The Government of Bombay, however, held that a good case had been made out for the establishment of creches in Bombay on a larger scale than was the case at present. The Hon. Mr. Cowasji referred to the heavy infant mortality in Bombay and pointed out that the statistics in this connection had attracted the attention of the public not only in India but in England. The Government of Bombay were of opinion that the practice of giving opium to babies was prevailing to an alarming extent among women employed in factories, etc., and in order to minimise this evil, establishment of creches was very necessary. The Hon. Mr. Cowasji remarked that in the opinion of the Government of Bombay, more creches should be provided by co-operation between Government, Millowners and the Infant Welfare Society. Government were prepared to pay the running costs if millowners agreed on their part to supply accommodation and the equipment for the creches. The Hon. Mr. Cowasji pointed out that this meant that Government were shouldering the major portion of the responsibility.

The Hon. Mr. Cowasji next went on to say that Government proposed to have creches for groups of mills. It would not be possible to have a creche for each mill as costs would be prohibitive. Government had therefore grouped the Bombay mills in 11 groups, and there would be one creche for each group. These groups employed about 24,000 women. Mills situated in isolated places and employing about 7,000 women were left out of account. Of the 11 creches contemplated, seven were meant for 75 children each, three for fifty children each and one for sixty children. These creches were small considering the number of females employed, but Government wanted to make a small beginning only. The annual costs were estimated at Rs. 65,000 going up to Rs. 1,20,000. Government were prepared to budget for this amount provided millowners would agree to provide the housing and equipment of these creches. It was estimated that the cost of equipping a creche for fifty children would be Rs. 1,000 and the cost of equipping a creche for 100 children would be Rs. 1,600. The Hon. Mr. Cowasji, however, stated that these figures appeared to him to be low and possibly the costs of equipment would be a little more.

The Hon. Mr. Cowasji next went on to say that in connection with this grouping of mills, there were two points regarding which Government wanted to know the Association's views. Firstly, whether women employed in one mill would be allowed to go into another mill where the creche was situated and secondly, in case a mill in a particular group is situated at some distance from the mill where the creche is located, would the women of the former mill take the trouble of going into the latter mill ?

Mr. H. P. Mody suggested that instead of having creches in the locality where the women worked during the day it would be better to have creches in the locality where they resided, *e.g.*, in the neighbourhood of the chawls of the Development Department. The Hon. Mr. Cowasji replied that that matter was under consideration and added that the question of the location of the creches was not finally settled and was open to reconsideration, and fresh groups might be formed corresponding to the locality in which the millhands lived. The Hon. Mr. Cowasji further remarked that Government proposed that these creches should be

run by the Infant Welfare Society and should be inspected by the Factory Inspector. He desired to know if millowners were prepared to place at Government's disposal suitable rooms, either hired or their own property.

The Hon. Sir Dinshaw E. Wacha inquired why Government were showing this solicitude for females employed in the mill industry, when a much larger number was employed outside the mill industry. Moreover, in Sir Dinshaw's opinion the question of infant welfare was one which concerned the Municipality, and millowners should not be asked to tackle the problem. The Hon. Mr. Cowasji replied that welfare of labour was a reserved subject and the Municipality would not take up such matters. Mr. Kay inquired whether Government required special new buildings for the purpose or whether old buildings would do. The Hon. Mr. Cowasji replied that Government did not aspire to have ideal places for these creches and any decent and clean place would do. Sir Fazulbhoy Currimbhoy stated that this was not the opportune moment for asking millowners to incur any fresh expenditure. He suggested that certain mills had already got creches, and Government should begin by taking over these creches and managing them on model lines. The Chairman, Mr. Kay and Mr. Sawyer stated that their experience about the creches in their own mills was not very encouraging for these creches were not taken advantage of to any appreciable extent. Mr. Turner stated that his experience in Sholapur was that the benefits of the creches were fully appreciated by millhands. The Hon. Mr. Cowasji in conclusion said that Government would write to the Association in the matter fully explaining the views and proposals of Government. The Chairman assured the Hon. Mr. Cowasji that the matter would be very carefully considered by the Committee.

The Chairman next referred to the reply received from the Government of Bombay to the Association's letter regarding the Bill to amend the Bombay Smoke Nuisances Act and stated that the reply was vague and unsatisfactory. The Hon. Mr. Cowasji stated that the idea originated with the Retrenchment Committee who pointed out that under the Municipal Act the responsibility for smoke nuisances belonged to the Municipality. There was some correspondence with the municipalities who were unwilling to take up the work but who were agreeable to the Act being amended in order to make the municipalities pay the costs of the working of the Smoke Nuisances Department. The Chairman stated that municipalities were not likely to bear these costs without passing them on to the industries. The Hon. Mr. Cowasji replied that the municipalities had not got the power to levy new taxes. Mr. H. P. Mody stated that the water tax or the general tax might be increased. The Hon. Mr. Cowasji replied it was not possible for Government to give a guarantee that these taxes would not be increased by the Municipality.

As regards the question of increased boiler fees, the Hon. Mr. Cowasji stated that if a sufficient saving was effected by transferring the costs of the Smoke Nuisances Department to the Municipality, Government would make a reduction in the boiler inspection fees, but it was not possible for Government to give any guarantee at this stage.

The Chairman next referred to the chawls erected by the Development Department for the use of millhands. He stated that the original programme was to erect 50,000 tenements and for this purpose a tax of Re. 1 per bale of cotton was levied. The original programme was, however, modified and Government now proposed to have only 16,000 tenements. The Hon. Mr. Cowasji replied that the original calculations were found to be faulty, and if the original programme was to be adhered to, it would be found necessary to increase the present tax of rupee one per bale. Owing to bad debts and other reasons Government were continually losing on these chawls. Further discussion was, however, postponed, as a special Sub-Committee is examining the whole question and a representation is likely to be made to Government, the Hon. Mr. Cowasji promising to supply full details of the expenditure of the Development Department.

The Hon. Mr. Cowasji next requested the Chairman to give him confidentially an account of the conference with the labour leaders and the views held by the Committee on the question of reduction of wages. The Chairman gave a detailed account of the conferences with Sir Basil Blackett, and the Hon. Mr. Chadwick and also the labour leaders. In the

course of his remarks the Chairman gave expression to the Association's disappointment at the fact that Government were not rendering any assistance to the cotton industry at this most critical period in its history.

In conclusion, the Chairman thanked the Hon. Mr. Cowasji and Mr. Turner for their presence, and the meeting was dissolved.

J. P. WADIA,
Acting Secretary.

No. 1066-D.

GENERAL DEPARTMENT,
POONA, *25th July*, 1925.

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to address you regarding a scheme which Government have under contemplation for providing creches in central situations in the mill areas in Bombay City where women who are employed in the mills can leave their children aged from 0—4 years while they are at work, and to request you kindly to place it before the members of your Association for their consideration, and let me have their views and criticisms regarding it in due course.

2. It is estimated that on an average there are 31,000 women employed in the mills in Bombay, and that there are 25 children of 0-4 years of age per 100 women. Assuming that only one-fifth of these are taken to creches we should have to provide accommodation for about 1,225 children. At the outset, however, Government do not anticipate that even as many as one-fifth of the children of the age above specified will actually be brought to the creches, and they do not consider it to be necessary to provide accommodation for so many as 1,225 children at any rate until the scheme has been proved to be a success, and there is a genuine demand from the women workers for more creches.

3. It is proposed to divide the mill areas into groups and to provide a central creche for each group of mills. I am to send you herewith a map* showing the proposed groups. It will be seen from this map that certain mills are isolated, and it is calculated that in these mills 7,000 women are employed. For the present Government do not propose to take steps to provide separate creches for these isolated mills. They aim only at providing 11 central creches for the groups of mills shown in the appended list in which over 24,000 women workers are employed. For these groups Government propose that the millowners concerned should provide the creches properly equipped and maintain the equipment in good order. In selecting a building either within or outside a mill compound the main points for consideration are that—

(1) it should be clean, in sanitary surroundings, and airy;

(2) it should have an ample supply of pipe water;

(3) it should have sufficient cubic space for the inmates which may be calculated at 25 cubic feet per child.

As regards the equipment, I append a statement kindly furnished by the Infant Welfare Society for your information. It is for the members of the Association to consider and decide for themselves whether a creche—intended for a group of mills—should be provided in one mill compound, or should be situated in a hired building in the vicinity of the group of mills concerned. Another suggestion is that the creches should be situated in the vicinity of the dwelling places of the workers rather than near the mills. There appears to be some-

*Not printed.

thing to be said for this suggestion and Government will be glad of the advice of the Association regarding it. Such creches would, however, only be suited for weaned infants.

4. For the present Government propose that creches for 75 children per group should be provided in groups 2, 3, 4, 5, 7, 10 and 11 and 4 creches for 50 children each in groups 1, 6, 7 and 9, *i.e.*, affording accommodation for 725 children as against the original estimate of 1,225 framed on the basis of one-fifth only of the children of 0—4 years being brought to the creches. Taking 25 cubic feet as the requisite cubic space for each child, then the floor space required for a creche for 50 children will be 1,200 square feet and for a creche for 75 children will be 1,800 square feet. It will be seen that Government are proceeding on a very conservative basis in framing their estimate of requirements.

5. If the millowners agree to provide the buildings and equipment required for the creches, Government propose to provide the recurring expenditure required for running the creches themselves. It is estimated that at the outset this recurring expenditure will amount to about Rs. 65,000 per annum, and that, if the creches prove popular, it will rise possibly to Rs. 1,20,000 in the course of a few years. They propose to hand over the actual management of the creches to the Infant Welfare Society—which is ready to undertake this responsibility—and may be able to contribute towards the cost of the creches from funds at its disposal. It is hoped that if the Millowners' Association accepts the scheme, the members will agree to the Society taking over the management of the creches. If this is settled Government will hand over the funds, which they may undertake to provide,—in the form of grants to the Society.

6. The above is a rough outline of the scheme which Government have in view, and as I have alreadystated, Government will be very glad to receive any remarks and criticisms on it which the members of your Association may be pleased to make. They trust that the Association will be sympathetic towards the scheme, and that the members will agree to join in it. Government recognise that in view of the present state of the mill industry in Bombay, the time is perhaps not the most propitious for putting forward such a scheme. They are, however, convinced that the interests of the millowners themselves are so vitally involved in any attempt to secure the welfare of the women mill-workers and their children in Bombay, that they do not hesitate even in the present critical times to approach the Association on the subject.—I have, etc.,

C. W. A. TURNER,
Secretary to the Government of Bombay,
General Department.

Article.	*For 50 Children.*		*For 100 Children.*	
	No.	Cost	No.	Cost
		Rs. a.		Rs. a.
Equipment.				
Cots	12	240 0	24	480 0
Mattresses	15	23 8	30	47 0
Sheets	60	22 8	120	45 0
Draw Sheets	100	37 8	200	75 0
Blankets (1 large cut in 4, cost Rs. 4-12-0 each)	24	27 0	48	54 0
Mackintosh (1 yd. makes 3) 1 yd, cost Rs. 3-12-0)	4 yds.	15 0	8 yds.	30 0
Towels (1 large makes 2) (cost Rs. 13-4-0adoz.)	150	82 13	300	165 10
Kurtas	300	67 8	600	135 0
Napkins	200	20 0	400	40 0
Doctor's Towels	12	6 0	12	6 0
Sisters' do.	24	7 0	36	10 8
Mats (Rs. 1-12-0 each)	10	17 8	20	35 0

Article.	For 50 Children. No.	Cost Rs. a.	For 100 Children. No.	Cost Rs. a.
Equipment.				
Benches	2	10 0	4	20 0
Cupboards for linen	2	140 0	2	140 0
Meat Safe	1	20 0	1 large.	30 0
Kitchen Table	1	15 0	1 ,,	20 0
Writing Table	1	30 0	1	30 0
Chairs	3	24 0	3	24 0
Chambers (aluminium)	6	15 0	12	30 0
Stand for Chambers	1	20 0	2	40 0
Buckets	2	5 0	4	10 0
Bath Boards	2	5 0	4	10 0
Tub (zinc)	1	5 8	1 large.	10 0
Boiler (for bath water)	1	10 0	1 ,,	15 0
Sigris	2	2 4	3 ,,	4 8
Large Degchis	2	10 0	2	10 0
Small Degchis	2	4 0	2medium	6 0
Ghindi and stand	1	3 8	1	3 8
Jug	1	3 0	1	3 8
Mug	1	0 8	2	1 0
Lactometer	1	3 8	1	3 8
Medicine Glass, Minim Glass	1	1 6	1	1 6
Saucepan	1	2 4	1 large.	4 0
Wattis	30	6 0	60	12 0
Palis	30	7 8	60	15 0
Teaspoons	12	0 12	12	0 12
Towel pegs	1	8 0	2	16 0
Beatrice Stove	1	8 0	1	8 0
Clinical Thermometer	1	1 8	1	1 8
Lotion Bowls	2	0 12	2	0 12
Kidney Tray	1	0 8	1	0 8
Kitchen Knife	1	1 12	1	1 12
Kitchen Spoons	2	0 12	2	1 12
Khujas	2	1 4	4	2 8
Large Thalis	2	1 14	2	1 14
Baby Scales	1	35 0	1	35 0
Medicine Cupboard	1	15 0	1	15 0
	..	985 5	..	1,651 14
Recurrent Expenses.				
Nurse	1	55 0	2	110 0
Ayahs	3	60 0	5	100 0
Sweeper	1	10 0	1	20 0
Dhobi	1	20 0	1	35 0
Milk (½ seer per child)	..	234 6	..	468 12
Food	..	25 0	..	50 0
Medicine	..	15 0	..	30 0
Coal	..	6 8	..	10 0
Soap	..	3 8	..	7 0
Kerosene Oil	..	1 0	..	2 0
Butter and Bread	..	8 0	..	16 0
Rs. ..	..	438 6	..	848 12

No.	Suggested grouping of creches.	Women Operatives.	Children.
1	Meyer, Edward, Crescent Planet	1,600	80
2	Mathradas, Bombay Industrial, Dawn, Fazulbhoy, Presidency, Pearl, Premier	3,100	155
	Note.—The Fazulbhoy Mills creche is situated in this group.		
3	Globe, Century, Textile, Crown, Standard, Zenith ..	2,600	130
4	Asur Veerji, Kilachand, Phœnix, Madhorao Scindia, Jamshed	2,000	100
5	Ebrahim Pabani, Currimbhoy and Mahmadbhoy, David (1 and 2)	2,300	115
6	Apollo, Sir Shapurji Broacha's Mills	1,800	90
7	Indian Manufacturing Co., Bradbury, Bomanji Petit, Hindustan, Simplex	2,100	105
8	Finlay, Morarji, Jacob Sassoon, New Islam	2,800	140
9	Jubilee, Swan, Birla, New China, Moon Mills	1,200	60
10	Wadia Woollen and Hongkong, New Kaiser-i-Hind, New City, E. D. Sassoon, Alexandra, Rachel Sassoon, New Great Eastern	2,500	125
11	Jivraj Baloo, Manekji Petit, Raja Bahadur Motilal, Alliance Cotton	2,200	110
	Note.—The creche of the Infant Welfare Society is situated in this group.		

No. 1066-D—IV.

GENERAL DEPARTMENT,
BOMBAY, *4th September*, 1925.

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Scheme for Providing Creches in Mill Areas in Bombay.*

SIR,

I am directed by the Governor in Council to refer to Government letter No. 1066-D, dated the 25th July, 1925, on the subject noted above, and to enquire when a reply may be expected.—I have, etc.,

R. F. GORVALA,
for *Under-Secretary to the Government of Bombay, General Department.*

No. 1084/115 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *19th September*, 1925.

THE UNDER-SECRETARY TO THE GOVERNMENT OF BOMBAY,
GENERAL DEPARTMENT, BOMBAY.

SIR,

SUBJECT:—*Scheme for Providing Creches in Mill Areas in Bombay.*

With reference to your letter No. 1066-D—IV dated 4th instant, my Committee regret they have not been able as yet to go into the question of the provision of creches in the mill area dealt with in Government letter No. 1066-D of 25th July, 1925, the reason being that the very serious crisis in the cotton mill industry has been naturally engaging the attention of the Committee to the exclusion of almost all other questions. My Committee, however, hope to take up this matter next month, and their views thereon will be communicated to Government in due course.—I have, etc.,

T. MALONEY,
Secretary.

No. 1358/115 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *23rd November*, 1925.

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,
GENERAL DEPARTMENT, BOMBAY.

SIR,

I am directed to acknowledge receipt of your letter No. 1066-D, dated 25th July, 1925, on the subject of provision of creches in the mill areas in Bombay.

2. The proposals put forward in your letter are, briefly:—

(*a*) That eleven central creches should be provided with accommodation for about 725 children of women operatives in the mills.

(*b*) That the millowners should provide the buildings and equipment required.

(*c*) That Government would provide the recurring expenditure for running the creches.

(*d*) That the creches should be handed over and managed by the Infant Welfare Society.

3. My Committee have gone into the question of the costs which the acceptance of the above proposals would entail on the industry, and they find that the total cost of putting up suitable structures for accommodating creches and of equipping 725 beds as per the scheme outlined in your letter works out to Rs. 2,35,000, while the annual recurring cost is estimated at Rs. 11,120. You will be perhaps interested to have the details on which these estimates are made, and I am accordingly giving these below:—

Initial Cost:

	Rs.
Building a creche for 50 children—1,200 sq. ft. floor space would cost including cost of land not less than	16,000
A creche for 75 children—1,800 sq. ft. not less than	22,000
	38,000
Four creches for 50 children	64,000
Seven creches for 75 children	1,54,000
	2,18,000

Equipment:

According to the Welfare Society estimate, cost of equipping a 50-bed creche is Rs. 1,000 and a 100-bed creche Rs. 1,600. On this basis the equipment of a 75-bed creche might be expected to cost Rs. 1,350. It will be, however, remembered that the Hon'ble the General Member when he met my Committee on 14th July, 1925, had stated that this was probably an under-estimate, and my Committee therefore propose to add a further 25 per cent. For a 50-bed creche this would increase the cost to Rs. 1,250 and for a 75-bed creche the cost would roughly be Rs. 1,700. Total initial cost of equipment of eleven creches would therefore be:—

4×1,250	Rs. 5,000
7×1,700	„ 11,900
	Rs. 16,900

Renewals of Equipment:

These, it is proposed, should be borne by the mills. Sheets, mattresses, blankets, mackintoshes, towels, etc., would have to be renewed at least once per year and in addition there would be breakages, etc., etc. My Committee estimate that the cost of these renewals and replacements would not be less than 40 per cent. of the initial cost of equipment. This would mean an annual recurring expense of Rs. 6,760.

Repairs to buildings at 2 per cent. of cost would mean another Rs. 4,360 per annum.

Thus, the total initial cost of buildings and of equipping 725 beds as per the scheme outlined in your letter would be Rs. 2,35,000 and the annual recurring cost would be Rs. 11,120.

4. The most important question which my Committee have to consider is whether the money they are called upon to spend in connection with the scheme would be said to have been well spent.

I am directed to state that some of the members of my Committee have had practical experience of the working of creches in their mills, and the experience of a majority of them has led them to the conclusion that these creches are not taken advantage of to any appreciable extent by those for whose benefit they are intended. The Hon'ble the General Member and yourself will remember what the Association's Chairman, Mr. N. N. Wadia, Mr. J. A. Kay and Mr. H. H. Sawyer said about the creches in their respective mills at the meeting held on 14th July, 1925. This practical experience which some of the members of my Committee have had, has made them very sceptical as to the advisability of launching upon that elaborate and costly scheme of providing creches which is outlined in your letter.

5. Moreover, if the creches were placed in the compound of a particular mill, and if the women employees from other mills had to go to that particular mill for feeding their children, etc., certain difficulties would arise which ought not to be overlooked. The opera-

tives lose enough time now, but there would be every excuse for their losing more then, and in any case it would not be in the interests of discipline for operatives to wander into the premises of other mills practically at their own sweet will.

6. The other alternative is that the creches should be near the chawls of the factory operatives. Such an arrangement would make it practically impossible for a female operative to feed her child during working hours and there would be no practical means of ascertaining whether the children in a particular creche were the children of women factory workers. My Committee venture to submit that in 70 per cent. of cases they would not be, and it is certainly unfair that mills should be asked to build and equip creches for the general working population of Bombay.

7. My Committee are anxious not to be misunderstood. They are firmly of opinion that Government should do everything in their power for the preservation of the health of infants in the poor and backward classes of society, and they believe that creches, if run on sound and practical lines, would fill a great desideratum. If Government would undertake to equip creches for the whole female population of Bombay the mills would willingly pay their correct quota. But it is my Committee's considered opinion that apart from the question of heavy costs involved, the scheme outlined in your letter is not practicable and is foredoomed to failure for reasons indicated above. My Committee really cannot understand why Government should solely concern themselves with the children of female operatives employed in the mills, when a much larger number of women were employed in other industries and occupations.

8. My Committee trust they have made it quite clear that the costs to be entailed on the industry by the acceptance of the scheme described in your letter are quite prohibitive, and that there are other weighty reasons which make it difficult for them to give favourable consideration to the proposals put forward in your letter. They, however, wish to suggest that the Infant Welfare Society might be asked to take over the creches already in existence at some of the mills, and Government should provide the money required to run these creches on model lines. If at the end of, say, two years, the scheme has borne fruit and there is a demand for further creches, a scheme somewhat similar to the one suggested in your letter, but embracing women workers as a whole and not only factory workers—the costs of which should be borne in satisfactory proportions by all employers of female labour including the Municipality, the Improvement Trust, the Port Trust, the Local Government, etc.,—might be framed, and I am to state that such a scheme would meet with the most sympathetic and favourable consideration of my Committee. It is my Committee's considered opinion that schemes of social welfare, large or small, affecting the entire labouring classes of a city are universally recognised as primarily and essentially the duties of a State and not of certain individuals or classes or organised bodies, that they should be carefully considered from all points of view before being tentatively introduced.—I have, etc.,

T. MALONEY,
Secretary.

No. H/27/A of 1925-26.

BOMBAY MUNICIPALITY,
PUBLIC HEALTH DEPARTMENT,
BOMBAY, 19*th August*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

In reference to the attached copy of the Resolution passed by the Corporation at their meeting on 27th July, 1925, I should be much obliged if you would kindly supply the following information :—

1. The number of spinning and weaving mills in Bombay,
2. The number in which creches for infants have been provided, and
3. In regard to each mill in which a creche is provided—
   (*a*) The average number of women employed, and
   (*b*) The number of infants that can be accommodated in the creche without overcrowding.—I have, etc.,

J. E. SANDILANDS,
Executive Health Officer.

Corporation Resolution No. 4537, dated the 27th July, 1925.

"That the Municipal Commissioner be requested to report (*a*) the number of spinning and weaving mills in Bombay that have established creches for the protection of infants of women working in the mills, (*b*) the number of such mills as have not provided them, and (*c*) the desirability or otherwise of all the mills establishing such creches for the protection of infants."

No. 1086/115 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *21st September*, 1925.

THE EXECUTIVE HEALTH OFFICER,
BOMBAY MUNICIPALITY, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter No. H. 27/A dated 19th August, and to supply the following information from the returns received:—

1. Number of spinning and weaving mills in Bombay City and Island .. 82

2. The number in which creches for infants have been provided .. 8

3. In regard to each mill—

(*a*) The average number of women employed is as follows:—

No.	Name of Mill.	Average No. of women employed.	No. of Infants that can be accommodated.
i.	The Bombay Dyeing & Mfg. Co., Ltd... ..	707	50
ii.	The Khatau Makanji Spg. & Wvg. Co., Ltd. ..	327	11
iii.	The Manockjee Petit Mfg. Co., Ltd.	1,220	50
iv.	The Pearl Mills, Ltd.	555	
v.	The Fazulbhoy Mills, Ltd.	304	
vi.	The Ebrahim Pabaney Mills, Ltd.	769	70
vii.	The Premier Mills, Ltd.	282	
viii.	The Currimbhoy Mills, Ltd.	925	

(*b*) The number of infants that could be accommodated in the creche without overcrowding in each mill is given in column 4 above.—I have, etc.,

T. MALONEY,
Secretary.

No. 9920 of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, *3rd December*, 1925.

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour, by desire of the Municipal Corporation of Bombay, to forward to you for information and favourable consideration the following Resolution passed by them at their meeting held on the 24th November, 1925 :—

"That the letter from the Commissioner, No. H. 27/A, dated the 10th October, 1925, forwarding a report regarding the provision of creches in Bombay mills, be *recorded*.

"2. That the Corporation are of opinion that it is highly desirable to provide creches in all the mills of the city for the protection of infants of women employed in the mills.

"3. That a copy of this Resolution be forwarded to the Millowners' Association for information and favourable consideration."

2. The Commissioner's letter referred to in the Resolution is also forwarded herewith. —I have, etc.,

R. P. DESAI,
Acting Municipal Secretary.

Letter from the Commissioner, No. H/27/A, dated the 10th October, 1925.

"I have the honour to refer to Corporation Resolution No. 4537 of 27th July, 1925, and to append a copy of letter No. 1086/115 of 21st September, 1925, from the Secretary of the Millowners' Association which furnishes the information called for. The provision of sanitary and well-managed creches at the mills is evidently desirable. The question as to whether or not the cost of their provision and maintenance should be borne in whole or in part by the millowners is a difficult one on which it is clearly possible for the widest divergence of opinion to exist."

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* *Letter from the Secretary, Millowners' Association, No.* 1086/115, *dated the 21st September*, 1925, *to the Executive Health Officer above referred to* :—

No. 1460/115 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *22nd December*, 1925.

THE ACTING MUNICIPAL SECRETARY,
MUNICIPAL CORPORATION, BOMBAY.

SIR,

I have the honour to acknowledge receipt of your letter No. 9920 of 1925, dated 3rd December, 1925, forwarding a resolution passed by the Municipal Corporation on 24th November, 1925, on the subject of the provision of creches in Bombay mills.

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* Please see page of this Report.

2. The Corporation will be interested to know that some time back the Government of Bombay, General Department, addressed a letter to the Association outlining for the Association's favourable consideration a scheme for the provision of creches for the benefit and comfort of children of women employed in mills. I am directed to forward for the information of the Corporation a copy of the Association's reply to Government to which my Committee have hardly anything to add.

3. As pointed out in the letter to the Government of Bombay, my Committee are firmly of the opinion that everything possible should be done for the preservation of the health of infants in the poor and backward classes of society and that creches, if run on sound and practical lines, would fill a great desideratum. My Committee, however, fail to understand why the Government or the Municipality should concern themselves solely with the children of female operatives employed in the mills, when a much larger number of women are employed in other industries and occupations including service in the Municipality.

4. My Committee will be pleased to render every possible assistance to the Municipality in any attempts it may make for the establishment of creches for the benefit of the poor and backward classes of the city, whether employed in mills or not, but on the understanding that no fresh taxation will be imposed on the industry to meet the costs of the equipment and maintenance of the creches. These costs should be met by the Municipality without the aid of fresh taxation, for it cannot be too strongly impressed upon the Municipality that the municipal taxes imposed on the industry are far beyond the taxable capacity of the industry, and are, on careful examination, found to violate the principles of equity, as was made abundantly clear in the representations made by the Association to the Municipality during the last few months. The Municipality may count upon this Association's wholehearted support of any schemes it may inaugurate for the welfare of labour, provided such schemes are not the fore-runners of additional taxation.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 35.

PROTECTION FOR THE INDIAN COAL INDUSTRY.

SUMMARY OF RECOMMENDATIONS AND CONCLUSIONS.

CHAPTER I.

(1) A review of the position of Indian coal in overseas ports shows that the problem can be stated in the two words: 'quality' and 'price. (Paragraph 23.)

CHAPTER II.

(2) As regards quality, the best Indian coal can compete in any market in the East, but for such competition to be effective only the best coals should be exported and particular care must be taken not to allow the overseas purchaser to be misled as regards the precise quality of coal which will be delivered. (Paragraph 27.)

(3) Except in Rangoon and Madras, Indian coal can scarcely hope to compete in overseas markets if its pit-head price is higher than Rs. 2 to Rs. 2-8 for Singapore, Rs. 5-5 for Colombo and Rs. 5 for Bombay and Karachi. (Paragraph 36.)

CHAPTER III.

(4) Rs. 5 per ton may be taken as the average raising cost for the Jharia field and Rs. 6 per ton for the Raniganj field. (Paragraph 38.)

(5) The prohibition of the employment of female labour would have serious effects of raising costs. (Paragraph 39.)

(6) In present conditions there is no possibility of any reduction in wages. (Paragraph 40.)

(7) The increased use of mechanical appliances for coal cutting would not reduce raising costs unless it were accompanied by an improvement in railway facilities which would permit of an increased output. (Paragraph 41.)

(8) Various minor improvements in working methods are possible in some mines but these would not materially affect raising costs. (Paragraph 43.)

(9) The two main methods of reducing costs are an increase in output and the avoidance of stacking. (Paragraph 44.)

(10) If stacking could be avoided, at least 8 annas per ton on the total output of coal would be saved. (Paragraph 44.)

CHAPTER IV.

(11) The railways in India are faced with exceptional difficulties owing to the congested state of the coalfields. (Paragraph 45.)

(12) A regular and adequate wagon supply throughout the year is essential, and, although an improvement has been effected by the wagon-pooling system and increased facilities, much remains to be done in this respect, specially on the Bengal-Nagpur Railway. (Paragraphs 47 and 48.)

(13) A detailed examination of the capacity of each depot station should be made. Any depot station should be enlarged if it is found to be too small to allow a full wagon supply being given to collieries on the sections served by it when they are being given to collieries on other sections. (Paragraph 49.)

(14) The Bally Bridge should be constructed with the least possible delay and the advisability of its being used by the Bengal-Nagpur Railway should be further examined. (Paragraphs 50 and 51.)

(15) The prevention of delays between Bandel and Naihati by the provision of relief train crews should be considered. (Paragraph 50.)

(16) The ten-hours system of supplying wagons to collieries should be extended on the East Indian Railway and introduced on the Bengal-Nagpur Railway. (Paragraph 52.)

(17) Every effort should be made to supply empty wagons to collieries at regular hours, and to facilitate this the daily wagon allotment should be restricted to empty wagons actually on hand and empty wagons actually in sight. (Paragraph 53.)

(18) The possibility of installing private weighbridges should be fully investigated by an officer placed on special duty for the purpose. Where such weighbridges are introduced, the colliery should be compensated for the cost of working them by a reduction in the present coalfield terminal. (Paragraph 54.)

(19) Adjacent collieries should combine to have a joint representative always present at the railway weighbridge. (Paragraph 54.)

(20) Every effort should be made by the railways to assemble in full train loads wagons intended for the same ship and shippers should assist the railways by arranging for coal to be loaded in train loads either by a single colliery or by collieries on pilot sections served by the same depot station. (Paragraph 55.)

(21) A constant and unremitting check should be kept on the time taken at every state of the movement of wagons from the coalfields to the docks and back and on the turn-round of wagons in the port. (Paragraph 56.)

(22) The control over the movement of trains should be so worked as to enable traffic intended for the docks to be pushed through as rapidly as possible. (Paragraph 57.)

(23) The number of stations at which the examination of trains takes place should be reduced to the absolute minimum. (Paragraph 59.)

CHAPTER V.

(24) Working expenses on both the East Indian and the Bengal Nagpur Railways have increased by a very much higher percentage than have their ultimate receipts from coal. (Paragraph 60.)

(25) It is impossible to calculate the exact cost of hauling one ton of coal one mile. (Paragraph 60.)

(26) A comparison between the present railway rates charged on export coal in India and South Africa is favourable to Indian coal. (Paragraph 61.)

(27) No statistical case can be made out for reducing the railway charges on coal but such a reduction should be made on general grounds. (Paragraph 62.)

(28) On these grounds the rebate on export coal should be raised from 25 to 37½ per cent. (Paragraph 62.)

(29) There is not sufficient justification for a rebate on bunker coal. (Paragraph 63.)

(30) The procedure for obtaining the rebate on shipment coal should be overhauled with a view to insuring payment with as little delay as possible. (Paragraph 64.)

(31) The grant of a rebate on export coal is preferable to that of a reduced rate. (Paragraph 65.)

(32) There is not sufficient justification for a rebate on coal sent to Bombay by the all-rail route. (Paragraph 66.)

(33) There is no case for a rebate on coal sent up-country from Indian ports. (Paragraph 67.)

(34) The position in regard to the prepayment of railway freight on coal should be reviewed by the railways. (Paragraph 68.)

(35) We have no recommendations to make with regard to seasonal rates. (Paragraph 69.)

CHAPTER VI.

(36) The system of alternative indents for wagon supplies might be given a trial, but the number of alternative indents permissible should be limited to three or four. (Paragraph 70.)

(37) Six months should be sufficient time for the railways to arrive at a decision whether a siding or an extension should be sanctioned and when sanction has been given, not more than six months should ordinarily elapse before the work is completed. (Paragraph 71.)

(38) Applicants should be permitted to put in their own sidings or to extend existing sidings on the terms which apply to private sidings when the railways are not prepared to undertake the work on account of doubts as to whether it would prove remunerative. (Paragraph 71.)

(39) The specific gravity of Indian coal varies so greatly that a load-line on wagons for coal is misleading. All wagons should be marked with a mineral loading index figure, as suggested by the East Indian Railway, to enable the colliery manager to calculate the height to which each wagon may be loaded. (Paragraph 72.)

(40) The feasibility of providing open wagons, which when loaded flush with the top would not be overloaded, should be explored. Meanwhile the present margins of one ton for overloading and two tons for underloading are suitable and should be retained. (Paragraph 72.)

(41) The railways should make a practice of carefully verifying the tare marked on each wagon. (Paragraph 73.)

(42) As an experiment, the levy of penalties in certain cases of wagon delays at collieries should be suspended. (Paragraph 74.)

(43) Particular attention should be paid by collieries to the examination of wagons before loading and before despatch with special reference to the fixing of door pins. (Paragraph 75.)

(44) Open and covered wagons should be grouped separately before being sent out in pilot loads, and, if this is done, colliery managers and loading contractors should take special care to see that the covered wagons are utilised, whenever possible, for up-country traffic. (Paragraph 75.)

(45) There should be more out-door supervision both by the colliery and by the railway staff. (Paragraph 76.)

(46) Monthly meetings in the coalfields between the railway and colliery representatives should be revived. (Paragraph 77.)

(47) When asked for, more than one railway receipt should be issued where wagons are loaded in rakes and half rakes for one destination. (Paragraph 77.)

(48) There is no objection to the splitting up of rakes and half rakes where coal is loaded by collieries served by the same depot station. (Paragraph 78.)

(49) To prevent pilferage, special attention should be paid to the safe custody of coal in the depots at Howrah and Shalimar. (Paragraph 79.)

(50) Open wagons only should be supplied to collieries which instal mechanical loading appliances. (Paragraph 80.)

(51) The aim should be to provide only open wagons for all dock traffic from the coalfields. (Paragraph 80.)

(52) Preferential wagon supplies should be restricted to loco coal, including coal for inland river navigation companies and for ocean-going steamers from Calcutta under mail contracts with Government, to coal for works of public utility and to certified coal for export, the balance of the wagons available being distributed to collieries on a proportionate basis. (Paragraph 81.)

(53) This system should be brought into force as soon as possible, but at least six months' notice of the proposed change should be given to the coal trade and to consumers. (Paragraph 81.)

(54) Preferential wagon supplies allotted to collieries under recommendation 52 should not be cumulative. (Paragraph 81.)

(55) If preferential wagon suppliesare restricted as proposed, the retention of the Coal Transportation Officer will not be necessary. (Paragraph 81.)

(56) When the post of Coal Transportation Officer has been abolished a whole-time railway officer should be appointed to facilitate the movement of export coal. (Paragraph 81.)

(57) When the new railway collieries reach their full development, the wagon position in the Ranigunj and Jharia coalfields will be greatly eased. (Paragraph 81.)

CHAPTER VII.

(58) The turn-roundof wagons at the docks could be improved, but delays in shipping coal are mainly due to the irregular arrival of the wagons intended for a particular steamer. (Paragraph 86.)

(59) If the facilities for the movement of coal traffic at the docks are improved to the extent contemplated by the Port Commissioners, they should prove sufficient to deal adequately with any extension of the existing coal traffic which can be regarded as probable in the near future. (Paragraph 86.)

(60) It is essential to continue the careful check at present exercised over the turn-round of wagons in the docks. (Paragraph 86.)

(61) Railway officers from the coalfields should from time to time be placed on special duty at the docks to acquaint themselves with the working of the coal traffic there and similarly corresponding officers on the Port Trust staff should be placed on special duty in the coalfields. (Paragraph 86.)

(62) Where shippers ask that their coal should be loaded by the Beckett's plant in order to avoid breakage, every effort should be made to comply with their request. (Paragraph 87.)

(63) Save in exceptional circumstances, the first part of each cargo of coal should be loaded by the Beckett's plant. (Paragraph 87.)

(64) A total of four million tons of coal can be loaded annually at the port even if only one of the two Beckett's plants is used for coal. (Paragraph 87.)

(65) The question of the most suitable type of mechanical loading appliances for Calcutta should be investigated at an early date by an expert committee which should report on the best type of mechanical loading plant adapted to all types of open wagons. (Paragraph 87.)

(66) This committee should also investigate the possibility of using shoots for coal loaded by hand into steamers. (Paragraph 87.)

(67) The Port Commissioners should not wait until a berth is actually declared open before informing the railways of the fact but should give them a few days' notice beforehand. (Paragraph 88.)

(68) There is no necessity to modify the present procedure in regard to dumping at the docks but, should it be considered desirable at any time to impose a limit on the amount of coal dumped, this should not be less than forty per cent. of the cargo intended for a particular ship. (Paragraph 88.)

(69) The financial conditions of the port are not such as to justify a drastic reduction of the charges on coal. (Paragraph 89.)

(70) No statistical case for reducing the present level of charges can be established, but a reduction should be made on general grounds. (Paragraph 89.)

(71) This reduction should take the form of a reduction of 4 annas in the river dues on certified export coal. (Paragraph 89.)

(72) A change in the present system of the control of labour at the docks does not seem likely to result in any gain either in economy or efficiency. (Paragraph 90)

(73) Facilities for bunkering steamers at the docks can be provided if there is a general demand for them. (Paragraph 91).

(74) We consider that the rents for bunker depots are in accordance with the present economic conditions and have no recommendations to make in this connection. (Paragraph 91.)

(75) No alteration is called for in regard to the charges at present levied by the Port Commissioners on coal bunkered either from the docks or from the depots. (Paragraph 93.)

(76) The possibility of extending the pontoons and gangways at the Howrah depot into deeper water with a corresponding extension of the sidings should be considered. (Paragraph 94.)

(77) The responsibility of deciding when dredging at both the Howrah and the Shalimar depots should be done should rest with the Port Commissioners. (Paragraph 94.)

CHAPTER VIII.

(78) On the present basis of the cost of working steamers, steamer freights for coal cannot be considered excessive. (Paragraph 97.)

(79) There is no evidence that coal freights are being artificially maintained at their present level. (Paragraph 97.)

(80) Calcutta does not attract tramp steamers and therefore for a steady supply of tonnage over a long period freight on coal must be paid at the economic level. (Paragraph 98.)

(81) Coal can be shipped from ports in South Africa, the United Kingdom and Japan at ballast rates in tramp steamers to Karachi, Bombay, Colombo and Singapore. (Paragraph 98.)

(82) Steamer freights from Calcutta are fixed on the basis of the demand for tonnage and of the available supply of tonnage at ports all over the world and cannot be controlled by Government action. (Paragraph 99.)

(83) There is no prospect in the near future of a reduction in the freight for coal from Calcutta. (Paragraph 100.)

CHAPTER IX.

(84) It would be very difficult for individual exporters of coal to re-establish themselves in overseas markets owing to the bad repute into which Indian coal has fallen and a Grading Board should, therefore, be immediately established which would grade collieries which produce coal for export and would arrange the issue of certificate for each consignment of coal exported. (Paragraphs 101 and 102.)

(85) Any system of grading and certificates should be such as to command the confidence of buyers overseas and not to relieve the exporter of any responsibility as to quality. (Paragraph 103.)

(86) It would take too long and it would be too expensive to establish immediately a new organisation for the grading of Indian coal. (Paragraph 104.)

(87) The organisation of the Chief Mining Engineer to the Railway Board should be utilised for the purpose of grading coal. (Paragraph 104.)

(88) The most suitable constitution for the Grading Board would be the Chief Mining Engineer as Chairman, a representative of the Indian Mining Association, a representative of the Indian Mining Federation, a nominee of the Bengal Chamber of Commerce and a nominee of the Bengal National Chamber of Commerce. The last two members would represent the consumers' interests on the Board. (Paragraph 104.)

(89) The general outline is given of a scheme for classifying all Indian coals and it is suggested that a grading list should be published by the Grading Board as soon as possible, classifying the different collieries and seams on this system and giving the analysis of their coal. (Paragraph 105.)

(90) The names of collieries should not be included in the grading list without their consent. (Paragraph 105.)

(91) Only those collieries which are included in the grading list would be eligible for the special concessions from the railways and from the Port Commissioners, which we recommend above, and only certified coal from those collieries would be given such concessions. (Paragraph 105.)

(92) It is unnecessary for the coal shipped for railways by the Chief Mining Engineer to the Railway Board to be certified before it is allowed any of the concessions. (Paragraph 105.)

(93) The decision of the Grading Board as to the classification of any colliery or seam in the grading list should be final. (Paragraph 105.)

(94) Any coal should be eligible for inclusion in the grading list. (Paragraph 105.)

(95) The system suggested for inspecting certified coal is described. (Paragraphs 106 to 108.)

(96) The defects in certain consignments of coal to which references were made by witnesses in overseas ports, are considered not to be due to any defect in the system of inspection by the Chief Mining Engineer's staff. (Paragraph 107.)

(97) Coal dumped at the docks by private shippers should be arranged in separate stack for each vessel. (Paragraph 108.)

(98) Certificates for coal certified under our proposal should be in the form given. (Paragraph 109.)

(99) The cost of analysis required should be paid by the colliery concerned and the cost of inspection by the levy of a fee of one anna per ton of coal inspected. (Paragraph 110.)

(100) The question of the weighment of export coal should be referred to the expert committee recommended in paragraph 65 above which would be strengthened for this purpose. (Paragraph 111.)

(101) The assistance of the Chief Mining Engineer and his staff will probably not be available for more than two years and at the end of that time a scheme should be introduced for the inspection of export coal by independent officers employed by the Grading Board. (Paragraph 112.)

(102) Exporters of coal to Bombay should be prepared to submit their coal to analysis when selling to consumers in Bombay who have adopted the system of purchase on calories. (Paragraph 113.)

(103) The advantages and disadvantages of the system of sale on analysis are examined. (Paragraph 113.)

(104) Except where a particular section only of a seam is being worked, the classification of a seam containing section of uneven quality should be based on the analysis of a sample taken from the whole face of the seam. (Paragraph 113.)

(105) The extension of the system of certification to bunker coal is not practicable. (Paragraph 114.)

CHAPTER X.

(106) Pooling of coal for export is impossible in India. (Paragraphs 115 to 118.)

CHAPER XI.

(107) Propaganda by exporters of Indian coal is necessary at overseas ports. (Paragraph 120.)

(108) In ports where competing coals are sold on these terms, the prices of Indian coal should be quoted in sterling instead of in rupees; payment should be permitted on delivery; and payment of freight should be on the quantity shown in the bill of lading less an allowance of two per cent. in lieu of weighment. (Paragraph 121.)

(109) Certain improvements are suggested in the statistics published by the Director-General of Commercial Intelligence. (Paragraph 122.)

(110) Before any large contract for coal is made either by the Imperial or by a Local Government the advice of the Chief Mining Engineer to the Railway Board should be taken. (Paragraph 123.)

(*Sd.*) F. NOYCE (*President*).
,, C. S. WHITWORTH.
,, FRANCIS C. LEGGE.
,, S. C. STUART-WILLIAMS.
,, A. A. F. BRAY.
,, W. C. BANERJEE.*
,, R. N. MOOKERJEE.
,, J. W. A. BELL.

,, H. P. V. TOWNEND (*Secretary*).

March 28th, 1925.

APPENDIX 36.

PROTECTION FOR THE INDIAN COAL INDUSTRY.

INQUIRY BY THE TARIFF BOARD.

No. 640.

TARIFF BOARD, 1, COUNCIL HOUSE STREET,
CALCUTTA, *9th November*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to enclose six copies of a pamphlet containing the application of the Indian Mining Federation for the imposition of protective duties on coal, together with the

* Subject to a note of dissent.

Board's questionnaire and a press *communique* published by the Board. The pamphlet is on sale, and copies can be obtained from the Government Book Depot and authorised booksellers, price 2 annas.

2. I am to say that the Board will be glad to receive an expression of the views of the Millowners' Association regarding the proposed duties on coal. Most of the points on which the opinion of the Association is desired are covered by the questions in the first section of the questionnaire, but there are a few others regarding the comparative cost to industries of using coal, hydro-electricity or fuel oil, and these have been included in the supplementary questionnaire attached to this letter. If the Association are unable to give an opinion as a body on any of the questions in the supplementary questionnaire, *e.g.*, the comparative economy of the use of coal or fuel oil in a textile mill, it will meet the object of the Board equally well if they could be supplied with the opinions of individual mills selected by the Committee of the Association as the most likely to be in possession of up-to-date information on the subject.

3. I am to request that any representation which the Association desire to submit, and their answers to the printed and supplementary questionnaires may reach the Board not later than the 1st December if possible. If the Association wish to give oral as well as written evidence, the Board would be glad to have the earliest possible intimation of the fact.—I have, etc.,

C. B. B. CLEE,
Secretary.

SPECIAL QUESTIONNAIRE.

1. How many of the mills affiliated to the Association used as their source of power (*a*) coal, (*b*) hydro-electricity and (*c*) fuel oil in—

(*i*) 1913-14, (*ii*) 1924-25 ?

2. What would be the approximate equivalent in tons of coal of—

(*a*) the hydro-electric power used in 1924-25 by mills affiliated to the Association?

(*b*) the fuel oil used in 1924-25 by mills affiliated to the Association ?

3. What is the cost at present of fuel oil—

(*a*) c.i.f. Bombay, and (*b*) landed and duty paid ?

4. What quantity of fuel oil may be taken as approximately equivalent to one ton of coal ?

5. With coal and oil at their present prices, how does the cost of a ton of coal compare with the cost of the equivalent quantity of fuel oil ?

6. In deciding whether the use of fuel oil in place of coal should be introduced or continued in a mill, what circumstances must be taken into account (*e.g.*, convenience in handling, economy in labour charges, etc.) other than the cost of the quantity of each kind of fuel required to carry out a certain amount of work ?

7. When all the circumstances are taken into account, is coal or oil regarded as the more economical fuel for use in a textile mill with prices as they are at present ?

8. What are the rates per unit charged to consumers of hydro-electric power in Bombay at present ?

9. What number of units may be taken as approximately equivalent to one ton of coal ?

10. With the present price of coal and the present rates for hydro-electric power, how does the cost of one ton of coal compare with the cost of the equivalent number of power units?

11. In deciding whether the use of hydro-electric power in place of coal should be introduced or continued in a mill, what circumstances must be taken into account other than the cost of the coal and the cost of the number of power units required to carry out a certain amount of work?

12. When all the circumstances are taken into account, is coal or hydro-electricity regarded as the more economical source of power in a textile mill with prices and rates as they are at present?

'INDIAN MINING FEDERATION, CALCUTTA.

WRITTEN.

Statement I.—Letter dated the 28th October, 1925, from Indian Mining Federation, Calcutta.

In compliance with the request contained in your letter No. 550, dated the 7th October, 1925, I am directed to forward herewith a statement by the Committee of the Indian Mining Federation regarding the claim of protection to the Indian coal industry.

2. I am now to enquire what will be the programme of the Board's enquiry and particularly, when would they desire the representatives of the Committee to appear before them to support their written statement.

3. Six additional copies of the statement together with the enclosures are also forwarded herewith, as desired. It is understood that the statement submitted will be printed by you *in extenso* in which case, the Federation shall be obliged to be furnished with 300 copies thereof, if necessary on payment.

Statement by the Indian Mining Federation before the Tariff Board regarding the claims for a Protective Duty on Imported Coal in India.

I.—*Extent of Import of Foreign Coal.*

A necessary prelude to an attempt at economic and partial justification of the Indian coal industry for the imposition of a protective duty on imported coal in India is a correct appreciation of the extent of import of foreign coal into India and generally a correct understanding of the coal trade situation to-day. In Statement I, appended to this memorandum are set out the statistics showing the production of Indian coal (including output of Native States) and the quantity of foreign coal imported into this country in the recent years. It will have been observed on a reference to this statement that while the average quantity of foreign coal imported each year during the five years 1906-10 was 3.4 lakhs and during the five years 1911-16 4.42 lakhs, it rose to 1 million and 1.1 million during the years 1921 and 1922 respectively. There has been a decline in import since but the quantity imported during the first 8 months of 1925 is 3.2 lakhs or in other words, the import continues even at the present moment roughly at the rate of 5 lakhs tons a year. The actual import, however, of the remaining months of this year may falsify this estimate but in that case it would be easy to understand why the import of the later months did not keep pace with those of the earlier months. At all events, but for the disturbing factor of the serious and protracted mill strike at Bombay, an annual import of 5 lakhs of tons would be a reasonable and accurate estimate of the extent of the import of foreign coal into India at the present moment.

2. A quantity of 5 lakhs of tons represents doubtless a comparatively small fraction of the total Indian output. Assuming 19½ million tons as the average output of Indian

coal, the present import may be regarded to represent no higher than 2.5 per cent. of the total output. This percentage worked out on the figure of total output is, however, grossly misleading. A correct appreciation of the influence of the foreign coal in the Indian market can be obtained not by its comparison with the total output of Indian coal but with reference to the total quantity of commercially available Indian coal which finds effective market. In Statement II, will be found statistics of production of coal within British India in different provinces. It will at once appear that in certain provinces as well as in some of the Native States coal is raised in insignificantly small quantity and cater almost entirely to rigidly restricted and local markets. In any computation of the quantity of coal commercially available for the entire Indian market these small local outputs do not enter. Assuming these local outputs at 1 million tons, the gross average total production of the important Indian coalfields stands at 18.5 millions ; of this another allowance of 2.5 millions may be taken as representing wastage and colliery consumption, thus leaving a net average production of the important coalfields at 16 million tons a year. This figure again includes the output of the railway-owned collieries averaging annually about 1.5 million tons. Deducting this quantity, the total average commercially available Indian coal in the Indian market is 14.5 million tons a year. The imported coal estimated at 5 lakhs of tons a year thus represents 3.45 per cent. of this annual quantity.

3. In this connection, it is necessary to refer here to another fact. Coal is not the only foreign fuel competing with Indian coal at the home market—there is also the imported oil fuel. It is remarkable how the import of oil fuel has been fast increasing in the recent years. From 35 million gallons in 1919, it has risen to 90 million gallons in 1924, as it would appear from Statement III attached to this memorandum. The import of 90 million gallons of oil fuel means a displacement of more than 6 lakhs tons of Indian coal from the home market representing roughly 4.15 per cent. of the total Indian commercially available coal. The Committee of the Federation desire to impress on the Board the gravity of the competition of the oil fuel more so as they have later on in this memorandum formulated proposals bearing this fact in view. It is, in effect, the suggestion of the Indian Mining Federation that so far as protective measures are concerned, the imported oil fuel must be regarded *on principle* in the same category as imported coal.

II.—Effect of Import of Foreign Coal.

4. From the position indicated in the previous paragraph it may appear that the claim of the Indian coal industry for protection is open to the criticism that the amount of competing foreign coal in the Indian market is not very large in proportion to the total commercially available output of the country. The Committee of the Indian Mining Federation can have no hesitation in accepting the data of this criticism as a statement of fact but they would at the same time point out that any conclusion which might be drawn from this fact regarding the effect of foreign coal on the Indian market must take full cognizance of the two following considerations :—

(1) The imported coal is not marketed throughout the country but compete intensively at important centres with Indian coal. From the Statement IV attached to this memorandum, it will have been observed that full 60 per cent. of the foreign coal representing roughly 3 lakhs of tons is imported into Bombay against a total market there of not more than 4.5 lakh tons a year. Another 23 or 24 per cent. is imported in Karachi representing 120 thousand tons a year against a total estimated market there of not more than 180 thousand tons a year. The question of 5 lakhs of tons of foreign coal competing in the Indian market is not a question of foreign competition with 3.45 per cent. of Indian output but assumes a much more serious importance inasmuch as it imperils the market of Indian coal in two important centres, namely, Bombay and Karachi.

(2) There is, however, a still more important and graver aspect of the question. In appraising the claim of the Indian coal industry for protection, the fact must be clearly recognised that the Indian coal trade to-day is in a serious slump. For reasons which will presently be briefly described, the coal trade at the present moment is passing through an unusual depression. The import of foreign coal

is merely one of the elements in the depression but the question how far this depression can be attributed to the influx of foreign coal is no measure of the necessity of protection required for rehabilitation of the Indian coal trade. Had the other depressing factors been absent, probably there would have been no need for protection. With these, however, in full operation, the import of foreign coal is aggravating the depression and, as such, requires to be guarded against. A general depression is the dominating factor in the coal trade situation to-day and in fact it is the extent of depression which justifies the protective measures.

5. As the Indian Fiscal Commission clearly recognised, the coal trade in India has never been in a profitable position. Leaving aside absolutely temporary improvements, the only period of steady and fair prosperity which the coal trade knew was between the years 1918 and 1921. Almost following the armistice there was an industrial boom in the country which stimulated a great demand for coal. This hectic demand is writ large on the figures of consumption of coal by the small industries in the year 1919. This unusual demand of the small industries (for the industrial activities only gave rise to small industrial concerns) synchronised happily with an increase of demand for Indian coal in the overseas market. The closing months of 1919 marked the high-water mark of this temporary prosperity of the coal trade for though throughout the whole of 1920 the export demand for Indian coal continued firm, the demand of the small industries sharply declined next year. By the January 1921, the foreign ports closed for the Indian coal but the unprecedented bunkering demand owing to a large volume of tonnage having entered the Indian ports, the strength of the market yet remained unabated. By the year 1922, economic dislocation in Europe and restriction on purchasing power led to the sharp decline of India's foreign trade with the result that the bunkering demand most markedly fell and with it the last support of an improved coal market was removed. The statistics bearing on the position of these years are indicated in the Statement V attached to this memorandum. The menacing development in the Indian coal market in the shape of the import of foreign coal was evidenced as early as May 1921. But its effect was obscured for a time owing to the general demand in the country, particularly the bunkering demand. But by the end of the year 1922, after the Indian market had been dumped by more than 2 millions of tons of foreign coal, the effects were clearly traceable in the steadily falling prices, by which time the only surviving factor of strength in the market, namely, the bunkering demand had also most sharply reacted.

6. To sum up, the import of foreign coal at the present moment is only one of the elements in the present depression, the other factors operative being the lack of industrial and bunkering demand and the complete loss of the overseas market.

III.—*Economic Justification of Protection for Coal Trade.*

7. An attempt has hitherto been made to determine the extent to which the import of foreign coal is reacting unfavourably on the Indian coal trade generally. Such an attempt, however, must be regarded to have been made absolutely without prejudice to arguments which would presently follow in support of protection for the Indian coal trade. As the Committee of the Federation view it, the effect of the imported coal on the Indian coal trade generally is an immaterial issue for their present purpose to study. So long as a protective policy has been justified on theoretical grounds and the position of competition with foreign coal has been proved to be against the Indian coal, the case of the Federation may be regarded as completely made out.

8. In paragraph 97 of their Report the Indian Fiscal Commission laid down three conditions which must be fulfilled by an industry in order to justify its claim for protection. Briefly stated these conditions are: (1) the industry must be one possessing natural advantages; (2) the industry must be one which without the help of protection is not likely to develop as rapidly as desirable in the interest of the country; (3) the industry must be one which will eventually be able to face foreign competition without protection.

9. As regards natural advantages, the most important question relating to the coal industry is of course the potential resources of India. In this connection it would be sufficient to state that the resources of India are abundant. In Statement VI attached to this memo-

randum would be found a comparative statement showing the coal resources of India and other principal countries of the world. Another question relevant to the coal resources is their quality. In this connection a statement is enclosed (No. VII) which would show the composition of the various grades of Indian coal and coal of the other countries. It would appear that while the qualities of Indian coal remarkably vary, even the marginal grades are likely to meet all ordinary industrial purposes. As regards other factors of production, such as labour supply and a large market, the Indian industry is distinctly in an advantageous position. The only desideratum of the industry hitherto was the defective transport system on which the Indian Fiscal Commission laid much stress, but the Committee of the Indian Mining Federation are glad to be able to report that the position has since then very remarkably improved.

10. As regards the second condition laid down by the Fiscal Commission, it is the view of the Indian Mining Federation that a protective tariff is one of the three measures which should effectually rehabilitate the Indian coal trade. It is difficult to state with precision what the effect of a tariff unaided by other measures would be on the trade. But the Committee are generally certain that even singly the effect would be great. With regard to this condition again, it is clear from paragraph 100 of the Report that the Commission did not intend it to be applied except in the case of comparatively young industries. The case of an industry temporarily depressed or atrophied was also distinctly contemplated by the Commission and with regard to this class of industry the condition (2) can be less applied than in the case of other industries.

11. Turning to the third condition laid down by the Commission, it would no doubt be possible, other factors of depression being absent, to remove the protective duty on foreign coal, once the Indian industry has been rehabilitated. But here again, the condition need not be taken very seriously, as the Commission distinctly holds in paragraph 98 that "another class of industry which should be regarded with a favourable eye is that in which there is a possibility that in course of time the whole of the country can be supplied by the home production. In the case of such an industry the burden on the consumers determines automatically. As soon as the foreign import ceases to come in, the price ceases to be regulated by the foreign price *plus* the import duty. It is regulated by the internal competition." Price is fixed at a figure forced down by internal competition and it is under such circumstances immaterial whether the duty is removed or not.

12. It is not probably necessary to labour at length the fact that the ordinary conditions of protection are fulfilled by the Indian coal industry. For the industry is one which falls both under the category of those essential for national defence as also of the basic industries. In paragraph 106 of their Report, the Indian Fiscal Commission states "that they have no hesitation in affirming the principle that any industry which is essential for the purpose of national defence and for which the conditions in India are not unfavourable should, if necessary, be adequately protected," irrespective of the general conditions which they have laid down for the industries. Again, in paragraph 108 of their Report, the Commission thus place the case of the basic industry ; the "decision whether protection should be given to basic industries should rest rather on considerations of national economics than on the economics of the particular industry." Further in paragraph 105 the Commission recommends for consideration the case of the industry which may be at such a distance from certain port of the country adjoining the sea-board that it is unable to compete in those parts with goods imported by sea. It would appear and will be still more clear after the position of competition has been stated that this observation exactly covers the case of the coal industry in its present application for protection against foreign coal.

13. Much has been said to establish that the Indian coal industry satisfies almost all the theoretic tests which the Indian Fiscal Commission laid down to entitle an industry to a protective tariff. Attention might, however, be drawn to paragraph 114 of the Report of the Indian Fiscal Commission in which the Commissioners discuss specifically the proposition for protection of the Indian coal industry put forward before them by the Indian Mining Federation. The Commission records their opinion that the Indian coal industry is "one of those cases in which we are convinced that the protection of the basic industry or raw material would not be to the advantage of the country as a whole." Unfortunate as the

conclusion of the Commission was, it was based largely on the view that the coal industry was suffering in the early part of 1922 from a special and temporary disability, namely, that arising from a defective railway transportation. The present severe depression which was evidenced in the closing months of 1922 could not, however, be foreseen either by the coal trade or by the Fiscal Commission towards the close of 1921 or in the early part of 1922. After a careful study of the Commission's observations in paragraph 114, it is difficult to escape from the conclusion that the refusal of the Commission to recommend a protective measure for the coal trade was not of a categorical character but was based almost entirely on the view that the problem of the coal trade was unconnected with the problem of foreign competition. As the Commission clearly remarks that till the unfavourable transportation conditions are removed, "no measure of protection would bring prosperity and when they are removed, the industry will need no protection." The Commission, however, in no uncertain terms recognised the importance of the coal industry and expressed the desire that the coal resources of India should be sufficiently developed. It was, therefore, distinctly the view of the Commission that it is necessary that the industry should be placed on a more profitable basis. Having regard to this general attitude to the coal industry and the fact that the coal trade to-day is not suffering, as the Commission conceived, from any special difficulty but from a general depression in which the foreign competition plays a definite part, it may be assumed that the observations of the Commission do not weaken the present case of the Indian coal industry for protection.

IV.—Position of Competition.

14. It is now proposed to examine the actual position of competition which has in the previous paragraph been assumed to be unfavourable for Indian coal.

15. The case for a protective duty on imported coal in India was pithily but effectually summed up by the Indian Coal Committee in paragraph 36 of the Report in which they state that Indian coal can only hope to compete in Bombay and Karachi if the pit-head price is not higher than Rs. 5. This finding read together with the conclusion of the Committee recorded in paragraphs 39 and 41 of their Report that the average raising cost in the Jharia and Raneegunj fields are Rs. 5 and Rs. 6 a ton respectively and that this scale of the cost of production does not admit of any reduction, would seem to establish beyond any doubt that Indian coal is in need of protection against foreign coal in the centres of competition. The cases of Bombay and Karachi have been specially mentioned for, as already pointed out in Statement IV, between these two places no less than 85 per cent. of the foreign coal is landed. It has, moreover, to be taken into consideration that the case against Indian coal in the competition with foreign coal in various centres has been under-estimated to the extent of annas 8 per ton, as pointed out by Mr. Banerjee in paragraph 7 of his minute of dissent as a member of the Coal Committee. To sum up, on the data disclosed before and accepted by the Coal Committee, Indian coal is being under-sold to the extent of Re. 1-8 per ton, assuming the collieries' profit at Re. 1 per ton and taking into account the extent of under-estimation referred to by Mr. Banerjee. The position no doubt has changed since the Coal Committee examined it. The Committee recommended a direct assistance to the Indian coal to the extent of 12 annas (this rate in the case of Jharia and 10 annas in the case of Raneegunj coal roughly) and though definite announcement has not yet been made, it is certain for all practical purposes that the Government have accepted this recommendation. It may, therefore, be argued that with this additional assistance successful competition of Indian coal with foreign coal in Bombay and Karachi has been rendered possible within a very narrow margin of doubt, if not, entirely. To meet such criticisms, it will be of advantage to review the position of competition afresh in the light of the latest development.

16. To start with let the c.i.f. price of Indian coal be calculated for Bombay and Karachi. As the steamer freights to both the places are identical, the quotation too would be the same. The various items making up the c.i.f. price are indicated and added up below:—

Cost of coal at pit-head	Rs. 5 (Jharia).
Railway freight	Rs. 2-12 (Jharia coal).
Port Commissioners' charges	Re. 1-2 (including grading fee and cost of supervision).

Insurance	Annas 3.
Allowance for shortage	Annas 5 (being 4 per cent. of f.o.b. cost).
Finance	Annas 4.
Agency charges at destination ..	Annas 4.
Steamer freight..	Rs. 8-4.
TOTAL ..	Rs. 18-2.

These figures of c.i.f. price exclude any allowance for profits of the undertaking. Assuming this at Re. 1 per ton, the c.i.f. price at which Indian coal can be quoted at Bombay and Karachi is Rs. 19-2. It is, however, to be carefully remembered that quality taken into consideration throughout the calculation is of the best grade.

17. As against this c.i.f. price at which the best grade Indian coal can be quoted at Bombay and Karachi, some of the most important competing foreign coals are being quoted at a markedly lower figure. The Statement VIII enclosed with this memorandum exhibits the position of competition of Indian and foreign coal at Bombay at present and in the recent months. This statement is compiled from the reports published in "*Commerce*" and though not free from inaccuracies can be generally regarded as of a dependable character. The Committee, however, reserve the right of correcting any of these figures in a supplementary statement, should they find it necessary. It would appear that Transvaal (Witbank) coal has been sold in Bombay at Rs. 19-4 ex-scales, which mean a c.i.f. quotation of Rs. 17 per ton. This would disclose so far as this coal is concerned an under-quotation below the price at which Indian coal can be quoted to the extent of Rs. 2-2 per ton. It is true that intrinsically the best grade of Jharia coal is most decidedly superior to the Transvaal coal but in the present state of competition, quality for quality Bengal coal will have to quote below the South African coal or in other words, which is the same thing, price for price Bengal will have to supply coal of a quality superior to what is supplied by South Africa. Assuming this line of argument, it can be held that Transvaal and Natal coal are each selling at Bombay at a price Rs. 2 per ton lower than the figure at which they should sell in order that the best grade of Indian coal may find market there at a profit. For the purpose of this conclusion the price of Transvaal and Natal coal has been taken at Rs. 19-4 and Rs. 21-4 respectively ex-scales or Rs. 17 and Rs. 19 per ton c.i.f. Bombay.

18. The calculation given above relates to South African coal. The only other coal imported in appreciable quantity at Bombay is British coal. A shipment of first class Japanese coal is also reported to have recently arrived at Bombay but the Committee of the Federation possess at present no precise information with regard to this coal. Regarding the British coal, the quality is so markedly superior to that of Indian coal that it is difficult to estimate the exact position of competition between the two. Generally speaking, the British coal is sold Rs. 5 to Rs. 10 a ton higher than best Indian coal. Recently, however, some North County low-priced British coal has also been landed at Bombay and offered as low as Rs. 19 a ton c.i.f. The impression of the Committee of the Federation is that if the price of the British coal can be increased by Rs. 7 per ton, the best grade of Indian coal will have a fair chance of competing successfully with it.

19. In paragraphs 17 and 18, only the position of competition at Bombay has been described. The position in other centres, particularly at Karachi, is identical. The market at Bombay is, therefore, intended to be regarded as typical of the state of competition throughout the country.

20. Hitherto in estimating the position of competition between the Indian and foreign coal, it has been assumed that only the best grade of coal would be exported and it is on that assumption that it has been held that South African coal should sell Rs. 2 and British coal Rs. 7 a ton higher in price respectively than the rate at which they have been selling now. But the very important question arises—what would be the effect on the coal trade generally if the very best grades of Indian coal can find a market at a price which would just leave it a modest profit on the undertaking. It has been already stressed at great length that the problem at the present moment of the coal trade is the problem of depression and so long as

the best grades of Indian coal are unable to command a price higher than what would leave it a bare profit, the depression in the coal trade will continue. It is to be very carefully remembered that the qualities of Indian coal remarkably vary. While the raising cost of production of practically all grades of coal is more or less the same, there is an intrinsic difference in quality which must under normal conditions lead to differential rates of prices. In order that the lowest grade of coal must earn a modest profit, it is necessary that the highest grade should earn a price several rupees over its cost of production. The disparity in price between the different grades of Indian coal is a marked feature of the coal trade and there cannot be any disputing this very familiar fact. There is, moreover, nothing striking about it, as this is merely the application of the economic doctrine of the marginal theory of value. It would, therefore, follow that the rate of pit-head price of best grade of Indian coal, which has been assumed in the computation of c.i.f. price at Rs. 6, should really be Rs. 9 or thereabout in order that the lower grades of coal may earn a profit fairly over their raising cost. In such circumstances, the margin of under-quotation of Indian coal by South African and British coal taking quality into account, should be regarded at a figure Rs. 3 higher, namely, Rs. 5 and Rs. 10 respectively.

21. There is one more question in connection with an estimate of the competitive position of Indian and foreign coal which is to be carefully considered. It is not known if the present prices of foreign coal, particularly of South African, can be regarded as their lowest possible quotation or whether there is margin left to admit of further reduction in order to meet Indian competition. Reliable information on this point is not forthcoming but the fact remains that South Africa has reduced price considerably since 1922 and 1923. The enclosed Statement IX would show that in the years 1922 and 1923 the South African coal was offered at 31 or 32*s*. c.i.f. Bombay but at the present moment cargoes of Natal coal are being freely offered at 28*s*. and of Transvaal at 26*s*. c.i.f. Bombay. The reduction of price is proportionately heavier in rupee owing to the higher rate of exchange at present.

22. The question of exchange just mentioned is again another complicating factor in estimating the position of competition. In 1921-1922, the exchange was at 1*s*. 4*d*. or in the neighbourhood thereof. To-day it stands at 1*s*. 6 3/32*d*. It is obvious that the higher the rate of exchange, the more difficult it becomes for the Indian coal to meet foreign competition. The rise of a penny per rupee in exchange brings down the South African quotation by 6¼ per cent. or practically at a little over Re. 1 per ton. Despite the statement of the Hon'ble Finance Member suspicion is not entirely absent that the rates may go up still further. But even without a further advance the Indian coal trade is even now entitled to claim a protective duty of 12½ per cent. *ad valorem* on the ground of higher exchange alone.

23. It is not at all necessary to study wherein the secret lies of the foreign coal which enables them to compete successfully at the distant markets of Karachi and Bombay, it may still, however, be instructive to refer here to a few salient facts.

24. The cost of production of Indian coal is indicated in Statement X enclosed with this memorandum. The Committee venture to say this represents the irreducible minimum cost per ton in the Bengal coalfields. It will be granted that this compares very favourably with the British cost and probably not very unfavourably with the South African cost. No definite statement can be made with regard to the South African position, as it is difficult to ascertain what the cost of production there is. Seeing that South Africa is able to quote at Bombay at 26*s*. c.i.f. and assuming the steamer freight from Durban to Bombay at about 12*s*. and railway freight from Natal collieries to Durban on an average at 7*s*. it would appear that the pit-head price including the profits of the undertaking is not higher than 6*s*. Presuming even that the cost is a penny or two higher, it seems an absurdly low figure to accept for the raising cost ; it is possible that South Africa charges differential rates for export, bunker and internal industrial consumption. In the matter of bunkering, the South African coal has a particularly strong position of advantage, Durban being an important bunkering port for all vessels plying between Europe and eastern waters. In fact, figures were obtained by the Indian Coal Committee which went to prove this hypothesis.

25. Apart from the cost of production South Africa would also seem to have had some advantage in the matter of railway transport charges. There is at the present moment a

rebate of railway freight amounting to 7*s.* 9*d.* per ton but as the Coal Committee point out, the net freight payable by the Natal mine is practically the same as paid at present by the Indian coal from the coalfields to the docks. It has, therefore, been argued that the fact that a rebate is granted by South African railways on export coal should be made no ground for a special protection to be sought by Indian coal. Those who offer this criticism do not seem to have full appreciation of the point of view of those who ask for a countervailing duty on the South African coal owing to the operation of this rebate. The question is not whether the net freight payable by South Africa is equal to, more, or less than the net rail freight paid by the Indian coal but whether any special privilege is not granted in order that the South African coal may be in a better position to face competition in the Indian market. It can certainly be asserted that South Africa enjoys such special privilege. That the rebate granted to the South African coal is intended to operate and does as a matter of fact operate as a bounty, can be easily ascertained from the fact that there are differential rates of price of coal for bunker, internal consumption and export, the price for the first two purposes being progressively higher than the price charged for export coal. A further fact also confirms this view. The endeavour of the South African authorities to ship cheap coal was so strenuous that in 1921 the rate of rebate was 18*s.* 4*d.* from which it was reduced to 9*s.* 9*d.* per ton and thence to the present figure. Lastly, there is the question of uneconomical steamer freights, the full advantage of which are obtained by both the British and the South African coal export trade. In Chapter VIII of their report, the Indian Coal Committee have fully gone into this question and in paragraph 98 they record their view that " comparatively low freights for competing countries must be accepted as unavoidable by the Calcutta coal export trade." The Indian coal export trade is prepared to accept this position, as it is well aware that there is no remedy against it ; at the same time they certainly think they are entitled tospecial protection against the disability which they have to labour under.

V.—Proposals Formulated.

26. It now remains for the Committee to formulate their definite proposals for the consideration of the Board. They are afraid, in this connection, it would not be possible for them to confine their suggestions to merely an imposition of a protective duty on imported *coal* in India. As already indicated, coal is not the only foreign fuel competing with Indian coal. Any proposal for protection of the Indian coal industry must, therefore, embrace measures calculated not only to arrest the import of foreign coal into India but also the import of oil fuel in the country or at least to financially exploit the imported oil fuel for the benefit of the Indian coal trade. How far the Board may have any technical difficulty in considering the protective proposal in this wider aspect, the Committee of the Federation made no attempt to ascertain. It is their suggestion that should such technical difficulties be found to exist, steps might be taken by the Board to have them removed. The proposals of the Federation are :—

(1) that a protective duty of Rs. 5 a ton be imposed on Natal and Transvaal coal imported into India, the duty toincrease correspondingly with additional indirect bounty granted to the South African export coal,

(2) that a protective duty of Rs. 10 a ton be imposed on all other coal imported into India,

(3) that these duties be in force for a period of five years at the end of which the question of their repeal or continuance be examined in the light of the position then confronted by the Indian coal trade,

(4) that an additional duty be imposed on the mineral oil imported into India and generally used as fuel for industrial purpose at the rate of half anna per gallon, the proceeds of the duty being ear-marked forthe purpose indicated below,

(5) that the Board do record a further recommendation for grant of a bounty at the rate of Rs. 3 per ton on Indian coal exported to any foreign port, the funds for the payment of the bounty being found from theproceeds of the duty suggested under proposal (4) above,

(6) that the proposed bounty be paid for a period of four years.

27. The proposals formulated in the previous paragraph are on the basis of the present selling prices of foreign coal in India. Should these show a steadily downward tendency after the protective measures have been taken the whole question will have to be re-opened for fresh examination.

Enclosure I.

Statement I.—Showing the production of Indian Coal (including output of Native States) and the quantity of foreign Coal imported into India.

Years.	Output of Indian Coal.	Import of foreign Coal.
	Tons.	Tons.
1906-10 (Average)	11,523,000	344,000
1911-15 („)	15,440,000	427,000
1916-20 („)	19,356,000	44,000
1921	19,302,000	1,088,468
1922	19,010,000	1,147,695
1923	19,657,000	578,887
1924	21,176,000	402,888
1925(*a*)	....	328,657

(*a*) January to August.

Enclosure II.

Statement II.—Showing production of Coal in British India Province by Province between the years 1920 *to* 1924.

Name of the Province.	1920.	1921.	1922.	1923.	1924.
	Tons.	Tons.	Tons.	Tons.	Tons.
Assam	324,965	312,022	347,650	325,949	334,562
Baluchistan	27,672	42,155	40,632	31,626	29,947
Bengal	4,207,452	4,259,642	4,328,986	4,621,578	5,031,655
Bihar and Orissa	11,973,339	12,964,659	12,708,529	13,171,983	14,100,112
Burma	....	300	172	1,271	255
Central Provinces	491,205	712,914	675,841	548,059	679,081
Punjab	58,078	67,242	67,180	63,501	80,422
GRAND TOTAL ..	17,082,711	18,358,934	18,168,988	18,763,967	20,256,034

Enclosure III.

Statement III.—Showing the import of Fuel Oils into India during the years 1919 *to* 1924.

Countries whither imported	1919.	1920.	1921.	1922.	1923.	1924.
	Gals.	Gals.	Gals.	Gals.	Gals.	Gals.
Mesopotamia	....	....	....	1,956,500	....	448
Persia	23,196,686	21,372,439	39,372,781	52,425,693	61,994,844	69,900,473
Straits Settlements (including Labuan) ..	2,376,551	3,445,639	5,433,714	5,920,626	2,470,674	2,136,538
Borneo	8,765,745	17,886,426	4,765,771	4,451,945	7,453,185	16,986,682
Other Countries	975,752	77,123	608,968	480,602	116,331	128,811
TOTAL ..	35,314,734	42,781,627	50,181,234	65,235,366	72,935,034	89,152,952

Enclosure IV.

Statement IV.—Showing the percentage share of Foreign Coal and Coke imported by each Province during the first eight months of 1925.

Province.	January to August 1925.	Percentage of share.
	Tons.	
Bengal	995	.28
Bombay	208,570	59.72
Sind	80,469	23.04
Madras	14,250	4.07
Burma	45,018	12.89
TOTAL ..	349,302	100

Enclosure V.

Statement V.—Showing the quantity of Indian Coal (1) *Exported abroad,* (2) *Consumed for bunkering requirements, and* (3) *Used in domestic consumption and miscellaneous industries other than organised industries between the years* 1918 *to* 1923.

Year.	Bunker.	Domestic and Miscellaneous Industrial Consumption.	Export.
	Tons.	Tons.	Tons.
1918	1,180,900	4,960,000	74,466
1919	1,576,000	6,240,000	508,537
1920	1,967,000	775,000	1,224,758
1921	1,582,000	4,802,000	299,791
1922	796,000	4,521,000	77,118
1923	819,000	5,016,000	136,585

NOTE.—These figures are extracted from "Production and Consumption in India" published by the Commercial Intelligence Department.

Enclosure VI.

Statement VI.—Showing the Coal resources of India and other countries.

Italy	243	Million	Metric	Tons.
Portugal	20	,,	,,	,,
Spain	6,220	,,	,,	,,
Belgium	11,000	,,	,,	,,
India	70,000	,,	,,	,,
Japan	7,971	,,	,,	,,
Great Britain	140,000	,,	,,	,,
France	4,500	,,	,,	,,
Germany	94,865	,,	,,	,,
United States	3,200,000	,,	,,	,,

NOTE.—The figures quoted are those compiled by the International Geological Congress, Canada, 1923. The Paper on India resources was contributed to the Congress by Mr. H. H. Hayden, C.I.E., the then Director of Geological Survey, Government of India.

Enclosure VII.

Statement VII.—Showing the average analysis and calorific value of Indian and other Coals.

Coal.	Calories.	Carbon.	Volatile.	Ash.	Moisture.
Dishergarh	7,085	53.16	34.15	9.36	3.33
Best Raniganj	6,920	56.06	32.44	9.10	4.26
Inferior Raniganj	6,380	49.13	33.38	11.04	6.45
First Class Jharia	7,200	68.68	17.68	12.75	1.08
10, 11, 12 Seam Jharia	6,950	64.35	19.45	15.14	1.06
Inferior Jharia	6,013	59.15	15.60	24.35	.9
Natal	6,950	66.8	18.3	13.4	1.5
Witbank	6,766	54.66	25.72	16.84	2.78
Japanese	7,040	53.69	35.21	7.5	3.60
Chinese	....	71.09	21.18	3.12	4.60
Australian	6,975	52.57	34.84	9.9	2.60
British	7,600	58.84	34.73	2.43	4.00
Native States (Borneo)	7,200	67.53	20.92	3.	8.55

Enclosure VIII.

Statement VIII.—Showing the position of competition in Bombay.

NOTE :—The figures are compiled from the issues of " Commerce " and the date quoted at the top of the column refers to the date of the issue of the paper from which the figures have been tabulated.

Description of Coal.	4th July 1925.	11th July 1925.	15th July 1925.	1st August 1925.	8th August 1925.	15th Aug. 1925.	5th Sept. 1925.
English ..	S. S. Neotsfield Durban Navigation. c.i.f. 28*s.* 6*d.* =Rs. 19.	Rs. 30 Ex Scales.	Rs. 30 Ex Scales.	West Hartley Rs. 22 Ex Scales.	..	..	..
Natal ..	..	Rs. 22 Ex Scales.	Rs. 22 Ex Scales.	Rs. 21-4 Ex Scales.	..	..	..
Transvaal Witbank.	..	Rs. 21 Ex Scales.	Rs. 21 Ex Scales.	Rs. 19-4 Ex Scales.	..	..	..
Dishergarh ..	..	Macneil's Rs. 17-8 c.i.f. Yule's Rs. 18 c.i.f.	..	..	Rs. 22 loaded into wagons Rs. 23 delivered.	Rs. 17 c.i.f.	..
1st Class Raneegunge.	..	Best Bengal Rs. 20 Ex Scales.	Best Bengal Rs. 20 Ex Scales.	..	..	..	Damaguria Rs. 18-12 Ex Scales.
1st Class Jharia .	..	Smith's Bagdigi Rs. 18-8 c.i.f. Low's Rs. 17-8 c.i.f.	..	..	..	..	..
2nd Class ..	..	12 Seam at Rs. 16-8 c.i.f.	..	Rs. 20 delivered.	Rs. 20 delivered.	..	..

Enclosure IX.

Statement IX.—Showing c.i.f. Bombay price for South African Coal (Natal and Transvaal) from March, 1922 to July, 1923.

		s.		
March 1922	Witbank Coal (Transvaal) at ..	37/	c. i. f.	Bombay.
June 1922	St. Georges/Burnside Coal at ..	31/16	"	"
Sept. 1922	Witbank Coal at	30/6	"	"
Oct. 1922	" " at	31/6	"	"
Nov. 1922	Natal Coal at	31/	"	"
Dec. 1922	" " at	31/3	"	"
March 1923	" " at	32/	"	"
" "	Witbank Coal at	29/6	"	"
April 1923	" " at	29/6	"	"
May 1923	" " at	29/6	"	"
June 1923	Natal Coal at	31/9	"	"
July 1923	" " at	31/6	"	"
1923	October	*s.* 30-6-0.		
1924	April	*s.* 31-9-0.		
1924	May	*s.* 31-9-0.		
1924	July	*s.* 32-0-0.		
1924	August	*s.* 30-6-0.		

1924 September	s. 31-0-0 and 29-9-0.
1924 October	s. 30-0-0 and 29-0-0.
1924 November	s. 29-0-0 and 30-0-0.
1924 December	s. 29-6-0.
1925 January	s. 29-0-0, 29-3-0, 29-4-0, 29-6-0 and 30-0-0.
1925 February	s. 29-4-0.
1925 March	s. 29-4-0.
1925 May	s. 29-6-0 and 28-6-0.
1925 September	s. 28-3-0.
1925 October	s. 26-6-0.

NOTE.—These figures represent actual transactions of a Bombay firm.

Enclosure X.

Statement X.—Showing the average cost per ton of a colliery raising 2,000 tons a month working "Sircari."

			Rs.	a.
1.	Coal getting		1	0
	(Wages on an average being 10 annas per tub of 13 cwt.)			
2.	Coal Raising		0	4
	Tramming underground	1 anna		
	Banksman and onsetter	2 annas		
	Timbering	1 anna		
3.	Main driving		0	3
	(Average rate payable being Rs. 2 per each 2 feet.)			
4.	Machinery, plant and tramway maintenance		0	1
5.	Pumping (including wages of boilers)		0	1
6.	Boiler consumption		0	5
7.	Tramming and loading		0	4
8.	Stacking		0	2
9.	Establishment		0	12
10.	Stores		0	3
11.	Recruiting		0	2
12.	Machinery, hut and road repairs		0	1
13.	Sale charges or Calcutta establishment		0	6
14.	Royalty		0	6
15.	Taxes and cesses		0	4
	Chowkidari, 2 pies	1 anna	0	4
	Water Board, 7 pies			
	Mines Board, 3 pies			
	Workmen's Insurance	1 anna		
	Road Cess	1 anna		
	Income-tax	1 anna		
16.	Depreciation		0	3
17.	Miscellaneous		0	1
		TOTAL ..	4	14

PRESS COMMUNIQUE.

In the Resolution of the Government of India in the Commerce Department, No. 47-T. (49), dated 30th September, 1925, the Tariff Board were directed to enquire into the question whether a protective duty should be imposed on imported coal generally, or on coal imported from any particular country or countries, and, if so, at what rates. The Board have now received from the Indian Mining Federation a representation in which the following proposals are made :—

(1) The imposition of protective duties at the following rates :—

(*a*) Rs. 5 a ton on coal imported from South Africa ;

(*b*) Rs. 10 a ton on coal imported from any other country ;

(*c*) Half an anna a gallon on imported fuel oil.

(2) The grant of a bounty of Rs. 3 a ton on coal exported to foreign countries.

The grant of a bounty on exported coal is beyond the scope of the reference made to the Board and this proposal will not be considered by them. The proposal that a protective duty should be imposed on fuel oil is also beyond the terms of reference, and raises issues different in their nature from those connected with coal and more far-reaching in their scope. The Board are prepared to admit evidence tending to show that a protective duty might be wholly or partially ineffective unless it were accompanied by a duty on fuel oil and evidence bearing on the comparative cost to industries of using fuel oil or coal, especially in Bombay and Sind. It would have been necessary to examine these aspects of the case even if no proposal for a protective duty on fuel oil had been made. But the Board will not in this enquiry consider the question whether a duty on fuel oil should be imposed, and will confine themselves to the single issue whether a duty should be imposed on coal and, if so, at what rates.

2. The Board will be glad to receive representations from those public bodies, firms and persons who are likely to be affected by the proposed duty on coal and desire to express their views. The Memorandum of the Indian Mining Federation and the Board's questionnaire have been printed and copies can be obtained from the Manager, Government of India, Central Publication Branch, Calcutta, or all Provincial Government Book Depots and authorised booksellers, price 2 annas per copy.

The questions in the latter sections of the questionnaire are intended for the Indian Mining Federation and the Indian Mining Association, the two organized bodies who represent Indian coal producers. The questions in the first section are general and deal with matters on which the evidence not only of producers but also of consumers and other persons interested in the coal trade is necessary. Some of those who desire to be heard may find it convenient to submit detailed answers to the questionnaire, while those who prefer to express their views in a more general form may find the questions useful as indicating points on which the Board desire to be informed. Some of the questions cannot be answered without local knowledge, and answers by firms and others who possess such knowledge will be of special value.

3. Representations should be addressed to the Board's office at No. 1, Council House Street, Calcutta, and should be sent in so as to reach the Board not later than the 30th November, 1925. Representations received after that date cannot be considered. Those firms or persons who desire to give oral as well as written evidence should inform the Board not later than the 20th November. The oral evidence of the representatives of the Indian Mining Federation and the Indian Mining Association will be heard in Calcutta in November, and the Board's subsequent programme will be settled when it is known who desire to give oral evidence.

C. B. B. CLEE,
Secretary, Tariff Board.

CALCUTTA, *6th November*, 1925.

QUESTIONNAIRE.

SECTION I.

GENERAL QUESTIONS.

1. What are the chief causes of the fall in the price of coal in India since 1923 ? If the areas to which foreign coal penetrates (*i.e.*, for practical purposes the areas dependent on the ports of Rangoon, Madras, Bombay and Karachi) are excluded, how far is it correct to say that the present low level of prices is due mainly to internal competition between the Indian mines, and to an increase in their productive capacity unaccompanied by an equivalent increase in the demand ?

2. In paragraph 9 of their Memorandum the Mining Federation express the view that, in the matter of Railway transport, "the position has very remarkably improved" since the Fiscal Commission reported. Do you accept this view ?

3. If the answer to question 2 is in the affirmative, do you consider that the improvement in transport conditions has contributed to the fall in price by increasing the quantity of coal effectively on the market ?

4. What are the approximate c.i.f. prices at Rangoon, Madras, Bombay and Karachi of—

(*a*) Natal coal,
(*b*) Transvaal coal,
(*c*) British coal,
(*d*) Any other imported coal which competes seriously with Indian coal at these ports ?

If the imports from any country consist of coal of different classes and qualities, the lowest and highest prices should be given.

5. Is it the case that Natal coal is on the whole superior in quality to Transvaal coal and commands in general a higher price ?

6. In paragraph 18 of their Memorandum the Mining Federation express the view that in Bombay "generally speaking the British coal is sold Rs. 5 to Rs. 10 a ton higher than best Indian coal." Do you accept this view, and if so what classes of British coal command prices exceeding the prices of the best Indian coal by Rs. 10 and Rs. 5, respectively ?

7. In the same paragraph the Federation say:—

> "Recently, however, some North Country low-priced British coal has also been landed at Bombay and offered as low as Rs. 19 a ton c.i.f."

Has any considerable quantity of this class of coal been imported into Bombay in the past, and is it possible to determine by what amount the price obtainable for such coal would ordinarily exceed the price of the best Indian coal ?

8. The steamer freight on coal from South Africa to Bombay in January 1925 is given on page 102 of the Coal Committee's Report as 12 shillings a ton which is equivalent to Rs. 8 a ton with the exchange at 1*s.* 6*d.* May this figure still be taken as correct ?

9. What is the steamer freight on coal from British ports to Bombay at present ?

10. The Coal Committee in paragraph 33 of their Report expressed the view that Indian coal would sell in Bombay at a price about 8 annas a ton cheaper than the cheapest Transvaal coal. Do you accept this view as true of the best grade of Jharia coal ? If not, how would the price of the best Jharia compare with the price of the cheapest Transvaal coal ?

11. In the same paragraph the Committee ascribe the lower price of Indian coal in Bombay to "a prejudice not against Indian coal as such but against the exporters of it; so the Bombay importer has to be convinced not that there are good Indian coals, but that he can be certain of getting them." Do you agree that the prejudice exists?

12. If your answer to question 11 is in the affirmative, do you consider that the prejudice referred to operates to reduce the price of the best Indian coal in Bombay, and if so by what amount?

13. If your answer to question 11 is in the affirmative, do you consider that the prejudice referred to is justified by the condition and quality of the Indian coal actually sent to Bombay in recent years?

14. In paragraph 34 of their Report the Coal Committee say that at Karachi "witnesses stated generally that South African coal at the same price is much better value than Indian." Do you agree that this is in fact the view of consumers at Karachi?

15. In paragraph 17 of their Memorandum the Federation say that "intrinsically the best grade of Jharia coal is most decidedly superior to the Transvaal coal." Do you accept this view?

16. The Mining Federation have proposed the imposition of protective duties on coal at the following rates:—

(*a*) South African coal—Rs. 5 a ton.
(*b*) All coal other than South African—Rs. 10 a ton.

Do you favour the imposition of these duties?

17. Do you consider that the imposition of the protective duties on coal proposed by the Federation would result in an increase of the price of Indian coal in—

(*a*) Bombay,
(*b*) Sind,
(*c*) Madras,
(*d*) Burma, and
(*e*) the rest of India?

Would internal competition between the Indian mines operate to restrict the increase in price in each of these areas? By what amount (if any) do you consider that the price of the best Jharia coal would be increased in each area?

18. Do you consider that the increases in price indicated in your answer to question 17 would be effective as regards bunker coal, or is it probable that shipping companies would be able to avoid the increase in price either by direct transhipment of coal from one vessel to another in Indian ports, or by bunkering in foreign ports?

19. The imports of coal into Bombay (Indian and foreign) were 491,000 tons in 1924-25 against an average of 1,155,000 tons in the four years 1910-11 to 1913-14. The decrease in consumption is apparently due in part to the larger use of oil and hydro-electric power. Is it probable that an increase in the price at Bombay to the extent indicated in your answer to question 17 would result in consumers, who use coal at present, resorting to the alternative sources of power, and consequently in a further restriction of the market for coal?

20. Do you consider that an increase of the price of coal at Karachi to the extent indicated in your answer to question 17 would result in a larger use of oil in place of coal?

21. Having regard to the existence of alternative sources of power, do you consider that the imposition of the protective duties on coal proposed by the Federation would result in an increase in the sales of Indian coal in—

(*a*) Bombay,
(*b*) Sind,
(*c*) Madras, and
(*d*) Burma,

and, if so, by what amount?

22. Do you consider that the coal industry satisfies the second condition laid down by the Fiscal Commission, *viz.*, that without protection it will not develop at all, or will not develop so rapidly as is desirable in the national interest ?

23. The nett imports of coal into India in 1924 amounted to less than 2 per cent. of the Indian production. The Fiscal Commission expressed the view that "it would not be right to endeavour to procure for an industry such protection as will enable it to compete in every possible market in India, if this involves giving protection appreciably higher than is required for its success in the greater part of the country." Do you accept this view, and, if so, do you consider it applicable to the coal industry ?

24. Do you consider that an increase in the price of Indian coal to the extent indicated in your answer to qestion 17 would be a serious addition to industrial costs in—

(*a*) Bombay,

(*b*) Sind,

(*c*) Madras, and

(*d*) Burma,

and would it be likely to retard the development of industries in these provinces ?

SECTION II.

QUESTIONS FOR THE INDIAN MINING FEDERATION AND THE INDIAN MINING ASSOCIATION.

25. How many coal mines are affiliated to the $\frac{\text{Indian Mining Federation}}{\text{Indian Mining Association}}$ at present ?

26. What was the aggregate output in 1924 of the mines referred to in the answer to question 25 ?

27. The mines affiliated to the $\frac{\text{Federation}}{\text{Association}}$ may be roughly classified accrding to their annual output as follows :—

(*a*) Less than 5,000 tons.

(*b*) Not less than 5,000, but less than 10,000 tons.

(*c*) Not less than 10,000, but less than 20,000 tons.

(*d*) Not less than 20,000, but less than 50,000 tons.

(*e*) Not less than 50,000 tons.

How many mines belong to each class according to their output in 1924 , and what was the aggregate output of each class ?

28. How many of the mines referred to in the answer to question 25 began to produce coal :—

(*a*) before 1901,

(*b*) from 1901 to 1913,

(*c*) from 1914 to 1919,

(*d*) from 1920 to 1925 ?

What was the aggregate output of the mines in each class in 1924 ?

29. How many mines affiliated to the $\frac{\text{Federation}}{\text{Association}}$ have been shut down during the last two years, and how many new mines affiliated to the $\frac{\text{Federation}}{\text{Association}}$ have been opened ?

30. What was the aggregate output of the mines shut down, taking for each mine its output for the last calendar year before the year in which it was shut down ?

31. How many of the mines shut down belonged to each of the classes enumerated in question 27 ?

32. How many of the mines shut down belonged to each of the classes enumerated in question 28 ?

33. In paragraph 38 of the Coal Committee's Report the average cost of raising coal is taken as Rs. 5 a ton in the Jharia field and Rs. 6 a ton in the Raniganj field. Do the Federation/Association accept these figures as reasonable estimates ?

34. What are the prices at the pit-head at present, and what were they in November 1923, of Deshargarh, selected Jharia, first class Jharia, first class Raniganj, second class Jharia and any other class of coal which is commonly shipped by sea from Calcutta to other Indian ports ?

35. Do the Federation/Association regard the present pit-head prices as unremunerative in the sense that a large number of producers realize no profits on their sales or sell at an actual loss ?

36. Do the Federation/Association anticipate that the continuance of the present level of prices will result in the closing of mines now working and, if so, to what extent ?

37. When the prices of coal fall continuously they are likely to reach a point when, by the shutting down of those mines in which costs are highest, the curtailment of the supply prevents prices from falling further. Do the Federation/Association think that this point has been reached, or is it possible that prices may go still lower ?

38. How do the stocks of coal at the mines at present compare with the stocks held in November 1924 and November 1923 ?

39. Is any marked improvement in the condition of the coal industry possible until the market for Indian coal has widened substantially, either by the growth of internal consumption or by the development of the export trade ?

40. Can Indian coal be sold to-day in Rangoon, Madras, Bombay and Karachi at prices which, after deducting the cost of transport, leave the producer a price at the pit-head not less than the price he receives for other sales ? If not, to what extent is the price lower ?

N.B.—A separate answer should be given for each port.

41. Do the Federation/Association consider that the imposition of the protective duties on coal proposed by them/the Federation would result in an increase in the sales of Indian coal, and, if so, by what amount ?

42. Would the increased sales of Indian coal which the Federation/Association consider probable result in the re-opening of mines at present shut down, or is it more probable that the demand would be met by the opening of new mines in areas where costs are lower ?

43. Do the Federation/Association consider that the imposition of the protective duties proposed by them/the Federation would increase appreciably the average pit-head price of coal, and, if so, to what extent, or would the benefit to the industry be confined to such increase in sales as might result from the displacement of imported coal ?

44. It appears from page 58 of the Coal Commission's Report that in the early months of 1923 the rebate granted by the South African Railways on export coal amounted

to 7*s.*9*d.* per ton of 2,000 lbs. which with the exchange at 1*s.*6*d.* is equivalent to Rs. 5-9-7 per ton of 2,240 lbs. According to the information in possession of the $\frac{\text{Federation}}{\text{Association}}$ is the amount of the rebate still the same, or has any change been made ?

45. The Federation have asked for a certain scale of protection on the basis that the Indian producer ought to receive a price of about Rs. 9 a ton at the pit-head for the best Jharia coal. Do the $\frac{\text{Federation}}{\text{Association}}$ believe that, if the duties are imposed, it will in fact be possible to realize this price for coal sold in Bombay or Karachi, or would internal competition keep the price lower ?

SECTION III.

QUESTIONS FOR THE INDIAN MINING FEDERATION.

46. In paragraph 2 of their Memorandum the Federation exclude from consideration the output of certain coalfields on the ground that they are of purely local importance. The output of these fields is assumed to be one million tons a year. Which are the fields referred to ?

47. The Federation consider that in calculating the transport charges between the pit-head and an Indian port, such as Bombay, an allowance of 4 annas a ton should be made for Agency charges at destination. Would not the importers of coal from a foreign country have to incur a similar charge ?

48. The Federation say that a price of Rs. 19-4-0 a ton *ex* scales at Bombay is equivalent to a c.i.f. price of Rs. 17 a ton. Is the difference of Rs. 2-4-0 a ton made up of the details given in Appendix XIX (*b*) of the Coal Committee's Report ?

49. In paragraph 17 of the Memorandum the Federation take the price of Natal and Transvaal coals as Rs. 19-4-0 and Rs. 21-4-0 a ton *ex* scales at Bombay. Is this difference in the price a fair measure in the opinion of the Federation of the difference in quality between Natal and Transvaal coal ?

50. Are there differences in the classes and quality of the—

(*a*) Natal coal, (*b*) Transvaal coal,

usually imported into India ? If so, are the prices taken by the Federation as the basis of their proposals the prices of the cheapest quality of South African coal usually imported, and how much higher would the price of the best quality be in each case ?

51. What classes of British coal are commonly sold in Bombay at prices higher than the prices of the best Jharia by Rs. 10 and Rs. 5 a ton respectively ?

52. If protective duties are imposed on imported coal do the Federation consider it would be reasonable to prohibit by law the export of uncertified coal to other Indian ports, so that consumers would have a reasonable assurance of the quality of coal they bought ?

SECTION IV.

QUESTIONS FOR THE INDIAN MINING ASSOCIATION.

53. The Coal Committee gave the following figures as the costs incurred between the pit-head and certain ports :—

	Transport cost per ton.		
	Rs.	a.	p.
Rangoon	11	3	0
Madras	11	15	0
Bombay and Karachi	13	7	0

Do the Association accept these estimates or if not, what changes do they consider necessary ?

54. In Appendix XIX of their Report the Coal Committee gave figures for the cost of landing coal at certain Indian ports. Do the Association accept these figures ?

55. Do you consider that the coal industry satisfies the third condition laid down by the Fiscal Commission, *viz.*, that the industry can eventually dispense with protection and meet world competition unaided in the sense that Indian coal could be sold at a profit in Bombay and Karachi in competition with foreign coal ? If so, what change in the conditions do you anticipate which would be likely to produce this result ?

56. Do the Association approve of the imposition of the protective duties proposed by the Federation ?

No. 1402/36 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *4th December*, 1925.

THE SECRETARY,
TARIFF BOARD, DELHI.

SIR,

I am directed to acknowledge the receipt of your letter No. 640 dated 9th November, 1925, requesting an expression of the views of the Association regarding the application of the Indian Mining Federation for the imposition of protective duties on coal. After very careful consideration my Committee wish me to state that they would favour the imposition of a protective duty upon foreign coal provided that the coal trade are in a position to establish that foreign coal imported into India is being placed on the Indian market at prices with which Bengal coal cannot compete owing to bounties or subsidies direct or indirect available to coal exported from the country and not available to coal consumed in the country of origin. In this connection my Committee also wish to make it clear that even if the need for protection on these grounds is established, the protection given to the Indian coal trade should only be made available to that proportion of Indian coal which enters into direct competition with imported coal.

In regard to the case put forward by the Indian Mining Federation, my Committee are inclined to the view that a case for the imposition of protective duties of the nature and extent demanded has not been made out for the following reasons:—

(1) To all intents and purposes foreign coal only competes with first class Bengal coal in the Bombay market. There is little, if any, competition between foreign and Indian coal in up-country markets. These being the facts it is somewhat unreasonable for the Mining Federation to put forward a claim for a protective import duty which might possibly affect the price of coal all over India.

(2) Support cannot be given to the Mining Federation's application for a protective duty of Rs. 5 per ton on Natal and Transvaal coal on the grounds that this degree of protection is required to enable even the weakest of Indian collieries, raising the lowest quality of coal, to make a profit.

If the history of the Bengal collieries were examined it would be found that a very large number of the collieries raising lower class coal, commenced operations during the boom years when the demand for Indian coal was absolutely abnormal. These collieries would probably never have been able to work at a profit in normal years, because the demand for the lower grades of Indian coal in normal years has never been great, and they would not have been able to compete against collieries producing better grades of coal except in a very limited local market, owing to the fact that raising and transportation costs are the same for all classes of coal. This means that if the economic position is such that the better class

collieries, owing to the paucity of demand have to reduce their margin of profit, the demand for the products of the second class coal-producing collieries would be reduced to a purely local demand and many of them would be squeezed out of existence.

This, in the opinion of my Committee, is the position to-day, and no matter what protective duties were imposed the economic laws must gradually make themselves felt, and lead to the closing down of many of the collieries which, while serving a more or less useful purpose during periods of abnormality, cannot expect to compete against first class collieries in normal times.

If means could be devised whereby the export trade could be developed then the position might be different, but with the coal trade of the world in its present depressed state my Committee do not think that the Government of India are in a position to extend the financial help to the coal trade which would be necessary to make it possible to market first class Bengal coal in foreign markets at a price which would make it obviously advantageous for foreign countries to purchase Indian coal in preference to any other coal, and at the same time give such a profit to the first class collieries as would make it advantageous to them to develop their export trade and leave the Indian market to the second class collieries.

Even if such means could be devised, my Committee would be constrained to oppose them, on the grounds that consumers of coal in Bombay would have to pay a price for second class coal at least as high as they now pay for first class Bengal coal.

(3) The demand for coal in Bombay has been permanently reduced owing to the fact that a very large number of mills have changed over from steam to hydro-electric power, and it is extremely doubtful whether the demand for Indian coal could be very greatly increased by the imposition of protective duties.

(4) After very careful investigation, my Committee find that at the present time first class Bengal coal is being placed upon the Bombay market at a price which enables it to compete against imported foreign coal.

(5) My Committee have reason to believe that the price figures given in paragraph 16 of the Mining Federation's representation are too high by at least Re. 1-4 per ton.

At the present time steamer freight from Calcutta to Bombay can be obtained at Rs. 7 or less per ton, and the allowance of annas five for shortage is also too high. The raising costs are also on the high side for certain collieries, but may be approximately correct for the collieries affiliated to the Indian Mining Federation. If the contentions of my Committee are correct, then even at the present time first class Bengal coal can compete with foreign coal without protection, and this contention is further supported by the prices at which contracts for first class Bengal coal of guaranteed calorific value have been made by the Bombay Port Trust and certain Bombay mills in recent months.

While my Committee are convinced that no case has been made out for the imposition of protective import duties, they consider that the Bengal coal trade would be greatly helped if a substantial reduction on long-distance railway freights could be made.

The Railway Board have up to the present stated their inability to meet the demands made by various commercial bodies in this connection, but there is reason to believe that the annual saving effected by the Indian railways in fuel charges and stores due largely to the fall in coal prices is not less than three crores, and it would seem that the coal trade of India is justly entitled to a concession in freight rates on coal, since this saving has been made largely at the expense of their particular industry. The detailed answers of my Committee to the General Questionnaire at the end of the pamphlet containing the case put forward by the Indian Mining Federation, and to the Special Questionnaire for this Association which accompanied your letter under reply are appended.—I have, etc.,

T. MALONEY,
Secretary.

ANSWERS TO THE SPECIAL QUESTIONNAIRE.

1. According to the official list published by the Association, there are in all 82 cotton mills in Bombay City and Island. In 1913-14, all of these used coal as their sole source of power. In 1924-25—

17 mills still used coal as their sole source of power, but
59 mills still used coal in considerable quantities for the production of steam for heating, drying and bleaching,
61 mills used electricity as their main source of power,
23 mills used liquid fuel either as their main source of power or for the subsidiary process of steam production for certain processes.

2. (*a*) The total number of units of electric power used by the Bombay mills in 1924-25 was about 185 millions. One ton of coal is equivalent to 600–800 electrical units, according tothe type of coal and steam plant used. On these bases, the electrical power used in 1924-25 was equal

At 600 units per 1 ton coal to	.. ..	308,333 tons coal.
„ 800 „ „ „ ..	.. ..	231,250 „ „

(*b*) The quantity of fuel oil used in 1924-25 by the cotton mills of Bombay was * . The equivalent quantity of coal is somewhat difficult to estimate, because all coals "unfortunately" have not the same calorific value and the result is also affected by the type of power plant and the type of apparatus used for injecting and atomising the oil.

For example, a certain mill until recently found that one ton of oil was equivalent to 2.0 tons of Bengal coal, but latterly owing to an improvement in quality of coal delivered at the mills, 1 ton of oil fuel was equivalent to 1.8 tons of coal. The variation may be taken to extend from 1.7 to 2.1 tons of coal per ton of oil fuel. On these bases, the equivalent in tons of coal of the liquid fuel used by the mills are equal to—

at 1.7 tons coal per ton oil fuel	.. ..	* tons coal.
at 2.0 „ „ „ „ „ „ ..	..	* „ „

3. The latest prices for liquid fuel in Bombay are:—

(*a*) c.i.f. Bombay about	.. ..	Rs. 36 per ton.
(*b*) Landed and duty paid	.. ..	„ 42 „
(*c*) Delivered at mill	.. ..	„ 45 „

4. See answer to 2 (*b*).

5. Under the best conditions and with the latest type of injection liquid fuel at Rs. 45 delivered at the mills would be equal to coal at Rs. 22-8 per ton delivered at the mills or, using ordinary steam atomisers, Rs. 25 to Rs. 27 per ton. If price alone is considered, it would seem that good Bengal coal at Rs. 21-8 delivered at the mill is a cheaper proposition than liquid fuel.

6. In deciding whether the use of liquid fuel should be introduced or continued in a mill, the chief circumstances which must be taken into account are:—

(1) Convenience in handling.
(2) Reduction in labour charges at the boilers, and greater facility for manipulation of fires.
(3) Diminution of the loss of calorific value of fuel during storage.
(4) Reduction of smoke.
(5) Decreased danger of soiling work in process in the mills.

* Figures not available.

(6) Elimination of ashes.
(7) Saving in storage space.

7. Partially dealt with in answer to question 5.

8. The rates are:—

—	Power only.	Power transformers.	Power and complete equipment.
(a) Original Tata rate*	.485	.5	.55
(b) New Tata rate	.650	.675	.725
(c) Andhra Valley rate	.725	.8	.9

9. Much depends upon the class of main engines, condenser used, condition of boiler plant, coal firing and the water cooling available. Roughly, 600 to 800 units would be equivalent to one ton of coal under ordinary working conditions.

10. Please refer to answer to question 2 (a).

From the rates given in question 8, it will be seen that separate rates are quoted for supplying mills with power only or with power and complete equipment. At 600 to 800 units equivalent to one ton of coal, the cost of electric power equal to one ton of coal is worked out as below:—

—	Rate.	Cost of power only.	Rate.	Cost of power and complete equipment.
New Tata rate	.650	Rs. 24-4—32-8	.725	Rs. 27-0—36-4
Andhra Valley	.725	,, 27-0—36-4	.9	,, 33-12—45-0

This is only a rough comparison and does not take into consideration the capital outlay and the interest thereon involved in the change-over.

11. In deciding whether electric power should be introduced or continued in a mill, most of the points mentioned in answer to question No. 6 should be taken into consideration in addition to the following:—

(1) Adaptability of drives.

(2) Steady running of machines.

(3) Improvement in the quality of production.

(4) Increase in production.

(5) Cost of production recorded more accurately.

(6) Elimination of initial and recurring expenses such as stores, wages in case of steam plant.

Due importance should also be given to the capital expenditure involved in changing to electric drive.

* No cotton mills obtain their power at the original Tata rate.

12. It is difficult to give a categorical answer until particulars regarding up-to-date electric and steam plants are available. But it is thought that it would be more economic to use coal than liquid fuel or electricity in mills which are already using coal as their main source of power. A change to liquid fuel or electricity in these cases would not be profitable in view of the fact that:—

(1) Coal is comparatively cheaper than electricity or liquid fuel.

(2) The capital expenditure involved and the interest accruing thereon would not be a negligible figure.

ANSWERS TO GENERAL QUESTIONNAIRE.

1. The question can best be answered by the coal trade itself, but in the opinion of my Committee it would appear that the opening up of a large number of new collieries in the boom years may have affected the present price position.

2. My Committee are not prepared to assert that the present position is entirely satisfactory, but there is nothing like the same difficulty in obtaining wagons that there was in the immediate post-war years.

3. Not in a position to answer.

4. The following prices are to the best knowledge of my Committee the approximate prices of various classes of coal for mill delivery in Bombay. Bombay c. i. f. prices would be from Rs. 4 to Rs. 4-8 per ton lower.

	Rs.	a.	
Admiralty Cardiff	28	0	per ton.
West Hartlepool	24	8	,, ,,
1st Class Bengal (Jharia)	21	4	,, ,,
,, ,, (Ciridh)	21	8	,, ,,
,, ,, (Deshagin)..	21	8	,, ,,
Natal	23	8	,, ,,
Witbank	22	12	,, ,,

No other coal has been imported into Bombay recently as far as my Committee are aware.

5. As far as the experience of my Committee extends, Natal coal is slightly superior to Transvaal coal and commands a slightly higher price.

6. No opinion to offer.

7. There may possibly have been an isolated shipment of coal at the price mentioned, but it is quite certain that no considerable quantity has been offered at this price.

8. The rate given is too high. Freight contracts have been and can be made at Rs. 7 or less per ton.

9. No opinion to offer.

10. The general opinion in Bombay is that first class Jharia should be sold from Rs. 1-8 to Rs. 2 lower than Transvaal coal owing to the fact that past experience has shown that there is no certitude of obtaining consignments of even running quality or of the best grade. There is, however, reason to believe that in future first class Jharia coal will sell at prices closer to South African coal.

The reason for this conclusion is that in recent months contracts for Jharia coal have been made with stipulations that coal of a definite calorific value shall be supplied. The

coal delivered will be subjected to an independent chemical analysis and if the results corroborate the Grading Board certificates, my Committee think that the prices paid for Jharia coal will improve in relation to South African, if the quality is maintained.

11. See answer to question 10. There is no doubt that prices being equal the Bombay consumers have for some time found it advantageous to purchase South African coal because it is possible to depend upon its quality. Another factor which contributes to the greater popularity of South African coal is that shipments of Bengal coal are almost invariably short in weight whereas foreign consignments show correct or excess weight.

12. This " fact " not " prejudice " probably depreciates the price of Bengal coal by Rs. 2 to Rs. 3 per ton.

13. Yes, in recent years but perhaps not in recent months during which a noticeable improvement has taken place.

14. No opinion to offer.

15. In the years previous to the war, when it was possible to obtain coal from a particular colliery, coal equal to Transvaal coal has been received in Bombay, but if the best Indian coal is superior to Transvaal coal then my Committee believe that it must all have been taken by the railways.

16. No, for the reasons stated in my covering letter, but my Committee would welcome a reduction in railway freights on coal.

17 (*a*). Since the price of imported foreign coal would have to be increased there would probably be a corresponding increase in the price of Indian coal in Bombay by about Rs. 3 to Rs. 5 per ton. Internal competition would probably tend to restrict the increase in prices, but would, on the other hand, tend to a resumption of the old practice of mixing coal sent to the Bombay markets.

18. My Committee do not think that a protective duty would help the bunkering trade as in their opinion shipping companies might cease to use Indian ports for bunkering purposes.

19. It is possible that the increase in price would lead to a greater use of the alternative sources of power in Bombay, but a more accurate idea of the viewpoint of my Committee in this connection will be obtained from a study of the replies given to the special questionnaire.

20, 21, 22 and 23. No opinions to offer.

24. The possible increase in the price of coal indicated in my Committee's reply to question 17 would not in itself lead to a great increase in industrial costs in Bombay but the multiplication of the slight individual increases in costs, in stores, machinery and cotton, owing to higher import duties, higher taxation, Imperial and Municipal, and protective duties during recent periods have greatly increased production costs in Bombay in recent years.

APPENDIX 37.

THE INDIAN TAXATION ENQUIRY COMMITTEE.

No. 97-T.

INDIAN TAXATION ENQUIRY COMMITTEE,
DELHI, 20*th December*, 1924.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to enclose a copy of the questionnaire that has been prepared by the Indian Taxation Enquiry Committee and to say that the Committee will be glad if you will forward to me at your early convenience a statement of your views on any of the questions

therein in which you are specially interested. As replies to the questionnaire come in, the Committee will decide which of the witnesses they desire to examine orally, and will arrange a programme for such examination at the places that appear to be most convenient. Should they desire to ask you to give evidence orally, I shall address you regarding the time and place as soon as practicable after receipt of your reply.—I have, etc.,

W. B. BRETT,
Secretary.

Prefatory Note.

It is not expected that every witness will necessarily reply to all, or even to a majority of, the questions set down below. The examination of the taxation of a country as a whole involves the consideration of numerous questions which appeal to a great variety of interests, and the Committee, while seeking the best possible advice on each head, fully recognize that the great majority of witnesses will only desire to deal with one or two.

They recognize at the same time that, where such special interests are concerned, the questionnaire, lengthy as it unavoidably is, may still leave certain aspects of them untouched. They have endeavoured to set down questions which will provoke discussion on matters in respect of which they find themselves as a result of what has been of necessity a very rapid preliminary survey of the field, in need of further enlightenment.

They would express a hope that no special significance be attached to the form of the questions or to the quotations embodied therein. In dealing with a very intricate and technical subject it has seemed to them desirable, when referring to a proposition or a proposal, to state it as far as possible in the words of some one who has made himself responsible for it, and the question, in whatever form it is couched, is intended to do no more than elicit the opinion of witnesses on the proposition or proposal set down.

Incidence of Taxation.

1. Annexure A gives an account of the statistics at present available for the purpose of an estimation of the wealth of the country. How far do you consider them (*a*) adequate and (*b*) reliable ?

2. In Annexure B is a list of estimates which have been made of the wealth of the country or the average income of the inhabitants, in many cases with reference to these statistics. Have you any additions to make to this list or any criticisms to suggest on the several estimates ?

3. The estimates of national income for other countries are largely dependent on statistics of income-tax (which cover incomes from all sources) and death duties. Do you agree that there are no corresponding figures in India on which it is possible to base any estimate ?

4. Have you any suggestions to make for the improvement of the present methods of recording and compiling the available statistics which would not involve legislation or large expense ?

5. The English census of production, which was provided for by the Census of Production Act, 1907, took several years to complete and cost a large sum of money. Would you advocate the taking of a similar census of production in this country ?

6. A Bill was recently introduced in the Bombay Legislative Council which provided, among other things, for the collection of information on the following basis :—

(1) from substantial employers of manual and clerical labour for industrial and commercial purposes—statistics and facts regarding wages and conditions of labour ;

(2) from trading proprietors—statistics of prices ; and

(3) from landlords—statistics of rentals of house property.

Would you advocate the undertaking of all-India legislation on the same or similar lines ?

7. Estimates of the kind above referred to are useful for comparison with past estimates for the same country or contemporary estimates for other countries. Have they any value beyond this in relation to an enquiry into the incidence of taxation ?

8. Annexure C gives details of the more intensive enquiries into the conditions of different sections of the people of which the Committee have been able to trace records. Can you refer them to any others ? Are these sufficiently numerous and reliable to form the basis of an estimate of the incidence of taxation on different classes ? If not, what process would you suggest for ascertaining such incidence ?

9. How would you divide the population into classes with reference to the taxes that affect them ? Can you offer any suggestions which would assist the Committee in determining the question of the real incidence of taxation as distinguished from its primary or apparent incidence ?

Non-tax Revenues.

10. To what extent does the land revenue of your province include revenue from sales of waste lands, or trees, revenue from penalties, or other items that clearly do not fall within the definition of a tax ?

11. Are any similar items included under other revenue heads ?

12. Do you consider the whole or any part of the revenue from forests to fall within the definition of a tax ?

13. In the case of a Government commercial or semi-commercial undertaking should the endeavour be to secure (*a*) a bare return on the capital invested, or (*b*) a commerical return, or (*c*) a monopoly profit ? In which cases will the element of tax appear ?

14. Is there any, and, if so, what, element of taxation in the revenue derived in India from—

(*a*) railways, (*b*) tramways, (*c*) posts and telegraphs, (*d*) telephones, (*e*) cinchona, (*f*) profits on coinage or exchange ?

15. Is the charge for water supplied for irrigation adequate ? On what principles is it fixed ?

The following plans have been suggested or adopted elsewhere. Which of them do you prefer ?

(1) to charge the bare cost of supplying the water, including interest on capital invested,

(2) to charge a fair commercial profit,

(3) to increase the land revenue by taking the same proportion of the combined output of land and water as would otherwise have been taken of the output of the land,

(4) to charge by volume,

(5) to sell the water by auction to the highest bidder.

16. When land newly brought under irrigation or guaranteed a supply of water for the first time increases largely in value, is it right that the State should take a portion of the increase ? If so, what proportion would you fix ? Would you take it in a lump sum or in the shape of a betterment tax ?

17. What bearing have the tenancy laws in areas with which you are acquainted on such proposals ?

Payments for services rendered.

18. Is it correct to assume that the dues levied under the Indian Ports Act are payments for services rendered in respect of the safety of shipping, and dues levied under the Port Trust and similar Acts payments for services rendered in respect of goods and passengers, and that these dues do not fall within the category of taxes imposed on the general tax-payer ?

19. How should taxes imposed solely for expenditure on the needs of particular localities be dealt with in considering the general incidence of taxation ?

20. In considering the incidence in the locality, would you distinguish between those which are earmarked for particular services and those which are levied for the general purposes of the local body ? If so, which taxes would you put into each class ?

Optional taxes.

21. Economists and public men are divided (*vide* quotations in Annexure D) as to the extent to which indirect taxation should be regarded as voluntary. Do you consider that any taxes should be regarded as voluntary and as such excluded from consideration in estimating the burden upon the tax-payer ?

22. If so, to what taxes would you extend this classification either wholly or in part ? Please give your reasons in detail.

23. In the case of tobacco and intoxicating liquors do you agree with the following statement ?

> " Immoderate smokers and drinkers contribute heavily to taxation ; the consumption is of luxuries and it is optional. This taxation raises revenue, but imposes no economic burden."*

24. How would you regard the case of a tax upon entertainments or one on railway tickets ?

25. Would you in this connection make any distinction between classes of the population ? Would you, for instance, exclude the excise revenue from consideration in estimating the burden of the classes who by religion or custom are prohibited from taking intoxicants ?

General principles.

26. The Committee are instructed to report whether the whole scheme of taxation is equitable and in accordance with economic principles. Taking the maxims enunciated by Adam Smith as a basis, what additions or qualifications, if any, would you make to arrive at the principles now generally accepted ? If you can reply by reference to any recent literature on the subject, please do so.

Incidence on the poorest classes and Poll Tax.

27. Should every member of the community pay a tax of some sort ? If not, what should be the test for exemption ?

* Armitage Smith : Principles and Methods of Taxation, page 92.

28. Is taxation a proper accompaniment of representation ?

29. In either case should the tax imposed be direct or indirect ?

30. If a direct tax is recommended, is a poll tax a proper form for it to take ? Do you consider the capitation tax as levied in Germany, France or Switzerland or the United States, for instance, objectionable ?

31. Do you consider the following taxes comparable with these ? What is your criticism of them ?

(1) The Thathameda.
(2) The capitation tax in Burma and certain hill tracts of Assam.
(3) The Chowkidari tax.
(4) The profession tax in the case of the lowest classes on which it is imposed.

32. Do you consider these more or less objectionable than the salt tax, the customs or excise duties on cotton, kerosene oil or matches, and the octroi ?

Income-tax.

33. A statement is attached (Annexure E) comparing the rates of tax on incomes of different sizes in England and India and some other countries. In the event of a substitute being required for other taxation that is abolished, would you advocate an increase in the rates of income-tax ? If so, to which classes of incomes would you apply it ?

34. Do you consider that the present scheme of graduation is satisfactory or would you prefer one based on English or continental practice ?

35. Do you advocate any differentiation in favour of earned incomes or of sums shown to have been invested in productive enterprises ?

36. Is it practicable without proceedings of an inquisitorial nature to make allowances for the number of persons supported out of particular incomes ?

37. The Indian super-tax on companies is analogous to the English Corporation Profits Tax. The former has been justified on the ground that companies enjoy special privileges as compared with persons and firms in the matter of corporate finance and limited liability. The English Corporation Profits Tax was defended on the same ground and also on the ground that the undistributed profits of companies escaped liability to super-tax, whereas liability extended to the whole profits of individuals and partners whether distributed or not : when in 1922 it was enacted that, when a company failed to distribute a reasonable proportion of its profits by way of dividend the whole of the undistributed profit should be liable to super-tax at the maximum rate, the case for the continuance of a Corporation Profits Tax was mainifestly weakened and it was felt that the privilege argument was insufficient to justify a continuance of the duty, which was in fact repealed in 1924. Do you favour a continuance of the Indian super-tax on companies in its present form or do you consider that it should be either abolished or imposed in some other form ?

38. Are you in favour of the removal of the exemption of incomes derived from agriculture which was given under Act II of 1886 ? In dealing with this question would you draw a distinction between the actual earnings of the farmer and the income of the absentee landlord or the money-lender who has become a landowner through the foreclosure of a mortgage ? If the present limits of exemption were applied, what would be the proportion of persons actually farming their land that would be affected ?

39. Do you agree with the following estimate of the amount that could be secured by making agricultural incomes liable to income-tax ?

" If the agricultural incomes, which now escape taxation altogether, are taxed in the same manner as the industrial and the commercial incomes, after allowing for the necessary margin of subsistence as being utterly exempt from taxation, the probable gain to the revenue would be from sixteen to twenty crores of rupees." †

40. The limits of exemption in European countries generally have reference to the actual cost of subsistence, as will be seen from the table in Annexure F. The Indian limit of Rs. 2,000 is higher than those in these countries. In view of the fact that there is no such exemption in the case of the payer of the land revenue, do you consider it would be fairer to reduce the limit in the case of income-tax to something nearer to the subsistence level ?

[*Note.*—The Indian exemption limit was Rs. 500 in the income-taxes of 1862 and 1886 and was raised to Rs. 1,000 in 1903 and to Rs. 2,000 in 1919.]

41. One objection taken to the tax is that, owing to the manner in which accounts are maintained and presented, it is in fact a tax on honesty. How far has this reproach been removed—

(1) by the growth of an accountancy profession since the passing of the Indian Companies Act of 1911,

(2) by the introduction of a centralised and more efficient system of income-tax control ?

42. In France trading accounts are required to be maintained in a standard form. In England the introduction of an elaborate return for farmers and the raising of presumptive charges based on rents unless accounts are produced has resulted in a large number of farmers keeping accounts on a more or less uniform plan. A recent writer states: " What is needed is a simplified and standardised form of account to be kept by the tax-payer in his annual dealing with the State so as to enable the latter to ascertain the net annual income of the tax-payer."* Would you advocate the prescription of a form of account of this sort to be kept by tax-payers generally, or by any class of tax-payers, in India ?

43. In Sweden, particulars of incomes taxed are published in the newspapers, while in certain American States the income-tax rolls are public records. In England the employment of non-official Assessors and Commissioners to a certain extent acts as a check on evasion. Do you consider that the adoption of similar methods would tend to reduce frauds upon the income-tax in India ? If so, what steps would you take to bring public opinion to bear ?

44. Objection has been taken in Europe and America to the issue of income-tax free securities on the ground that the effective rate of interest is higher to the rich holder whose rate of income-tax is high than to the poor man whose rate of income-tax is low. Do you consider that any steps should be taken to discourage the issue of tax free securities ?

45. Bearer securities obviously afford facilities for the evasion of income-tax. Can you suggest any means of avoiding such evasion ? Would you approve the collection of income-tax by means of a special stamp duty on the coupon ?

46. Are you satisfied with the provisions of the existing law in relation to double taxation and the exemption from taxation of incomes derived from outside India ?

47. Are you satisfied with the present arrangements in regard to assessment on the previous year's income, or would you prefer assessment as in England on the three years' average ?

Taxes on consumption.

48. What comments would you make on the views expressed in the following quotations—

† Shah and Khambata : Wealth and Taxable Capacity of India, page 277.

* Hobson : Taxation in the New State, pages 106-107.

†" The aim of taxation is revenue; by confining indirect taxes to a few articles the cost of collection is diminished; the selected articles should be, however, sufficient in number and of such a kind as to touch all classes, and to reach in a moderate degree those who do not contribute to direct taxation.

‡" Probably in the spending of *every* wage there is some part that is ineffective and some part that is positively detrimental from the efficiency point of view. If we can succeed in pegging a tax at that point, and reduce the quantity of the commodity obtained, we may in the one case leave efficiency unaffected, and in the second positively increase it."

||" The rule that necessaries should be free and that indirect taxes should fall only on luxuries is thus a counsel of perfection not always attainable; in a country where three-fourths of the population consume no luxuries, the majority can only be taxed through necessaries, and in these circumstances there is no hardship in such a tax."

49. In other countries an excise duty is frequently imposed on various commodities side by side with a customs duty of equal or greater amount. A list of articles which are the subject of such duties is given below. In the event of new taxes being required to replace taxes that may be abolished or reduced, would you recommend an excise on any of the articles in this list which are not at present subject to an excise in India?

Acetic acid.	Electric power.	Pleasure vessels.
Aerated waters.	Gas.	Saccharine.
Benzine.	Lighting materials.	Salt.
Candles.	Matches.	Soap.
Cartridges.	Meat.	Sauce.
Chewing gum.	Motor cars.	Sugar.
Cigarette papers.	Oleomargarine.	Sweets.
Chocolates.	Patent medicines.	Tobacco.
Coal.	Perfumery.	Toilet articles.
Coffee.	Petrol.	Wax.
Cotton goods.	Paraffin oil.	Yeast.
Crude oil.	Playing cards.	

50. ¶ "It is possible to apply to indirect taxation the graduated or progressive principle which is now becoming so popular in the case of direct taxation. Why should not taxation on consumption be so graded as to fall with heavier impact on the consumption of the wealthier classes? Why should not the whisky tax be imposed at a higher rate on the better grades? Why should not the tobacco tax be so arranged as to increase progressively with the price of the cigar? If we apply graduated taxation to incomes, inheritances, and property, why should we not utilise the same principle, as far as practicable, in the case of articles of consumption?"

Do you consider such graduation practicable?

Salt.

51. Please say whether you accept the following statement of the general policy in respect of the taxation of salt which is extracted from a recent American publication:—

*" From ancient times salt has frequently been selected for special taxation. Almost every country has taxed it at one time or another. An alternative method of exacting revenue from the salt industry has been to make it a fiscal monopoly; Such has been the case in Japan, China, France, Austria and Italy. Elsewhere it is usually the object of a high excise duty. From every point of view salt is admirably adapted to be a tax-bearer.

† Armitage Smith: Principles and Methods of Taxation, page 92.
‡ Stamp: Fundamental Principles of Taxation, page 74.
|| Armitage Smith: Principles and Methods of Taxation, page 92.
¶ Seligman, quoted in Bullock: Selected Readings in Public Finance, page 698.
* Jensen: Problems of Public Finance, pages 303-304.

It is universally used, but the amount that is used by any one tax-payer is small. The demand is very inelastic, especially when the tax is confined to salt used for cooking purposes. While the yield, unless the rate be very high, is not large, it nevertheless amounts to something, and in the case of a fiscal necessity all sources may need to be drawn upon. The purpose of regulation plays no part in the taxation of salt."

52. Assuming that it is proper to impose any taxation at all upon the poorest classes, do you accept the statement that† " it would be difficult to devise any other duty of general incidence less oppressive and less open to evasion " than the salt tax ? If not, what tax would you substitute ?

53. Having regard to the rates imposed in other countries as shown in Annexure G, do you consider that the rate of tax at present imposed in India is high or low ?

54. Roughly speaking, half the salt manufactured in India is sold directly by Government at cost price, half by licensees at a competitive price. Would you advocate an extension of either system at the expense of the other ?

55. If it were shown that a cheaper and purer article could be produced by substituting large scale manufacture for production by a very large number of petty holdings, would you consider this a proper ground for a gradual extension of the Government monopoly ?

56. Twenty-five per cent. of the salt consumed in India is imported and the fact was the cause of much difficulty during the war. Do you consider that it would be proper to impose a protective duty to enable India to be self-supporting in this respect ? Would that be fair to the Bengal consumer ?

57. What are the economic results of the process of sifting ? If it is practised solely for the purpose of increasing the trader's profit, do you consider that it should be prohibited?

58. Would you advocate the enforcement of the sale of salt by weight in areas in which it is now sold by measure ?

59. Do you consider that the cost of transport could be reduced and retail prices steadied by opening depots for the sale of salt by Government ? Are you in favour of action on these lines ?

60. A note is attached [Annexure G (1)] detailing the processes which are recognised in France for the denaturation of salt with a view to its issue free of duty for use in agriculture and industries. Do you consider it practicable to employ any of these methods in India ?

Excise on liquors and drugs.

61. Do you anticipate the introduction of a policy of total prohibition, now or in the near future, either generally or in particular areas ?

62. It has been calculated that such a policy would involve a large expenditure for its enforcement, in addition to a loss of revenue of 20.43 crores of rupees. If you are an advocate of total prohibition, how would you recommend that this money be found ? Do you approve of either of the following schemes :—

(*a*) Proposals made by Dr. Mathaiin his pamphlet " Excise and Liquor Control "—

(*i*) a super-tax on land revenue at a percentage varying from year to year to be assessed on landholders paying revenue of Rs. 50 and over at graduated rates ;
(*ii*) a provincial surcharge (a rate of 20 per cent. is suggested) on the income-tax.

(*b*) Proposals of the Bombay Excise Committee, 1923 :—

† Armitage Smith : Principles and Methods of Taxation, page 146.

	Rs.
A succession duty to yield	50 lakhs.
A totalizator duty to yield	20 ,,
Taxation of " futures " to yield	50 ,,
Increase of local fund cess to yield	30 ,,
Tobacco tax to yield	5 ,,
Employee tax to yield	40 ,,
Transit tax to yield	50 ,,
Terminal tax to yield	50 ,,

63. Failing total prohibition, do you accept all or any of the following statements regarding the policy to be pursued in the taxation of intoxicants ?

" It is not true that every tax is an evil. A tax on alcohol, which by raising its price diminishes its consumption, may be a positive good."‡

" The suitableness of distilled and malt liquors and tobacco for taxation is recognised by nearly every civilized country, and it is the uniform practice of European Governments to derive from them the largest possible revenue consistent with efficiency of administration"§

" The only important indirect taxes which an intelligent State would retain are those directed to the control and restraint of a few important articles of popular luxury, the large consumption of which is not merely a presumption of the possession of superfluous income, but is definitely detrimental to personal health, morals or public order. Of this character are alcoholic drinks and tobacco in the dimensions of their present use."¶

" Where a tax is levied upon a luxury, a harmful luxury, or something whose consumption is agreed to be sufficiently undesirable to justify its limitation, then we have the best possible case for indirect taxes. The object is not ' revenue only ' (in fact it seldom is), but revenue together with an ulterior purpose : the deliberate discouragement of the use of a certain article."‖

" Human nature being what it is, the increased dearness of a particular article is more likely to have a definite effect on the consumption of that article than an income-tax, which would tend to be saved out of *all* the commodities. That is to say, a direct tax on a wage-earner is more likely to reduce expenditure on primary essentials, and so to react on efficiency as to be thrown off on to other classes, than consumption taxes on specific non-essentials."*

" The same kind of confusion of causes is shown by the new thought over the taxation of the liquor trade. Alcohol is found to be at the root of very grave social evil, and it is said that for that reason it is taxed. Whatever might be our wish in this matter, starting *de novo,* this can hardly be said to be historically correct ..... The new doctrine of the State right to a dynamic policy is only subsidiary and the taxation can be justified without it.....The tenth pint of the drunkard pays the same tax as his first, and the same tax as the occasional pint of a most abstemious man. If one could not justify taxation of alcoholic liquors on general economic grounds, but had to rely on the new-found principle, it would find but poor justification in its actual working out in practice."†

64. Regarded as a measure of taxation, does the policy followed in your province fall short or go in advance of that which you would approve ?

65. The table attached as Annexure H shows that the rates of duty on country spirit per proof gallon vary from Re. 0-7-6 to Rs. 20-10-0. Do you consider any of these too high or too low ? Is it practicable to reduce the variety, if not to introduce a uniform rate, as in other countries ?

‡ Dalton : Public Finance, page 7.
§ D. A. Wells quoted in Bullock : Selected Readings in Public Finance, page 786.
¶ Hobson : Taxation in the New State, page 121.
‖ Jones : Taxation, Yesterday and To-morrow, page 96.
* Stamp : Fundamental Principles of Taxation, page 75.
† Stamp : Fundamental Principles of Taxation, pages 180-181.

66. Have recent increases in the rates been followed by increases in illicit production ?

67. Do you consider that locally-made imitations of imported liquors should be taxed at the tariff rate and given the same freedom from restrictions on transport as is given to foreign liquors ?

68. Would you approve of the imposition of supplementary duties on foreign liquors by Local Governments ?

69. When varying rates of duty obtain on foreign liquors, whether locally made or imported, how are the relations between provinces to be adjusted ?

70. The experiments carried out at the instance of the Excise Committee, 1906, showed that *tari*, even when freshly drawn, was as intoxicating as a mild beer. In the provinces with which you are acquainted is it taxed adequately, having regard to its alcoholic contents ? If not, can the taxation be increased by means of the tree-tax system or otherwise ?

71. Annexure I exhibits the rates of taxation per seer on ganja, charas and bhang. Do you consider that in this case there is any sufficient reason for variety of rates ?

72. From the point of view of taxation, is the system of wholesale supply of intoxicating liquors and hemp drugs satisfactory ?

73. From the point of view of taxation, is the system of disposal of licenses for retail vend satisfactory ?

74. Annexure J illustrates the reduction that has taken place in the number of licenses for retail vend in the last 20 years, and the average area and population per liquor shop in different provinces. It is asserted that this restriction in the number of licenses has resulted in a great increase in the value of those that remain on the ground of monopoly. Have you any comments to make on this suggestion ?

Opium.

75. A table of the duty charged in different provinces is given below. Is it practicable to arrive at a greater measure of uniformity ?

PROVINCE.	Duty per seer of excise opium.
Madras	40
Bombay Presidency (proper)	52
Sind	37
Bengal	37 (*a*)
Burma	150.9 to 135.8
Bihar and Orissa	40
United Provinces	37
The Punjab	37
Central Provinces and Berar	32 (*a*)
Assam	43.6(*a*)
North-West Frontier Province	37

(*a*) NOTE :—This is the figure for 1921-22. Reports for 1922-23 are not available.

76. Is the system of employing salaried persons for the retail sale and distribution of opium which is recommended in the draft Opium Agreement in force in any area with which you are acquainted ? What is your experience of its working ? Is it practicable to introduce it generally ? What would be the effect of its introduction upon the revenue ?

77. Are further steps necessary for the control of smuggling ? If so, should they be taken by the cultivating province, by the consuming provinces, or by the Government of India ?

Customs.

78. Apart from all question of protection, is it better for a tariff imposed for revenue purposes to be confined to a few articles in common use or to cover all imports ?

79. "A revenue duty should be at, or below (so as to permit of ready increase of revenue, in case of need), the rate which yields the greatest revenue obtainable: a protective duty would preferably be made so much heavier than this as to check the importation of the taxed goods, even though revenue were seriously diminished as a result."‡ Have any of the rates in the tariff which are not imposed for protective purposes exceeded the limit here laid down ? Have they resulted in diminishing returns or in uncontrollable smuggling ?

80. Are there any articles on which increased rates can be imposed with advantage otherwise than for the purpose of protection ?

81. Are there any respects in which the tariff can be rendered more scientific or rearranged with advantage ?

82. Are there any articles, not at present subject to export duties, by the imposition of an export duty on which a revenue could be secured without injuring the trade of India ?

83. Do you favour *ad valorem* or specific duties ?

84. Is the system of tariff valuations working satisfactorily ?

85. Have you any criticism to offer on the system of appraisement ?

86. Are the arrangements for preventing smuggling satisfactory (*a*) at the main ports, (*b*) along the coast, and (*c*) on the land frontiers ? If not, in what way can they be improved ?

Taxes on Transactions, Fees and Licenses.

87. The list attached as Annexure K specifies some of the taxes on transactions that have been adopted in other countries and not yet tried in India, and some of the principal countries that have adopted them. Do you advocate the substitution of any tax of this nature for any existing tax ? If so, which of these would you prefer ?

88. The stamp duties are merely a means of collection of taxes upon transactions, which may be grouped into the following classes :—

Nature of transactions.	Items of Schedule I of the Indian Stamp Act.
Free distribution of property	33, 58.
Transfer, or lease of property	6, 7, 19, 22, 23, 31, 32, 35, 40, 41, 45, 54, 55, 57, 61, 62, 63, 64.
Inheritance	2, 3.
Legal transactions	4, 5, 7, 12, 24, 25, 26, 28, 29, 42, 44, 48, 50 51, 52.
Commercial transactions	1, 8, 10, 13, 14, 15, 16, 18, 20, 21, 34, 36, 37, 38, 39, 43, 46, 47, 49, 53, 56, 59, 60, 65.
Entry into a profession or apprenticeship ..	9, 11, 30.

‡ Flux : Economic Principles, page 248.

Have you any comment to make on these duties generally, or upon any special class of them ?

89. Bentham included among taxes which should be interdicted taxes on judicial proceedings, whether under the name of stamps or of court fees. Please say whether you consider that the stamps collected on such proceedings should be so limited as just to pay for the cost of the courts, including pensions of officers and capital cost of buildings, or whether it is legitimate to tax ability to pay as exhibited by resort to the law.

90. Hobson* states that the whole of the stamp duties on deeds of disposal or transfer of property are levied in restraint of trade or other forms of presumable personal and social utility. Do you agree in this criticism ?

91. To what extent is payment of duty on transfers of shares evaded ? Can you suggest any remedy for such evasion ?

92. Fees tend to develop into taxes. This has undoubtedly occurred in the case of the liquor licenses. Are there any other fees levied in India in which you find that an element of taxation appears ?

93. In the case of Registration fees, do you consider that the fees levied should only be sufficient to pay for the cost of the Registration staff, including pensions, capital cost of buildings, etc. ? Or, is it legitimate to charge a higher sum on the ground that the act of registration of a transaction is only part of the service rendered by the State to the party ?

94. Are there other cases of fees or licenses in which, in your opinion, a further element of taxation might with advantage be introduced ?

95. As regards the tax on entertainments, Dalton writes : † " The British entertainments tax is a source of much vexation to those from whom it is collected, and involves the employment of additional inspectors, whose salaries might be saved if the corresponding revenue were raised by additions to other older taxes." Would you advocate the increase of older taxes in lieu of the entertainments tax where it is levied in India ? Or would you prefer to see a more general extension of the entertainments tax ?

Land Revenue.

96. How would you define a tax and a rent respectively ? What, from the point of view of pure economics, are the considerations tending to bring the Indian land revenue within one or the other category ? Do these considerations apply equally to the systems in force in different parts of India ?

97. Is the prosperity of the cultivator affected largely by the land tax? If not, what are the causes that influence it ?

98. Do you concur in the following criticisms ?

" Adam Smith, the founder of modern finance, laid down four universally accepted canons of sound taxation, and not one of them remains unviolated if applied to our system.

" The land revenue assessment ignores ' the ability to pay ' of the subject.

" Except where there is a system of permanent settlement in vogue, the assessments lack the element of certainty.

" The present system leads to more official tyranny and extortion than any other system we can think of. . . . The time of payment of revenue is most inconvenient for the cultivator.

* Taxation in the New State, page 125.
† Public Finance, page 122.

" Approximately 20 per cent. of the revenue is spent on collection alone, leaving aside the expenses of the administration." ‡

99. The fact that temporary settlements are based, among other things, on prices for different periods obviously leads to a certain amount of inequality. Is this avoidable ?

100. *" The present income-tax law exempts incomes below Rs. 2,000 a year, which is considered the subsistence level. Similarly there should be an exemption limit in the case of agricultural incomes." Is Rs. 2,000 a year the subsistence level ? Is it practicable for a taxing officer to ascertain whether an agriculturist's income exceeds this or any limit ? If such an exemption from payment of land revenue were given, would not one effect be to induce the further fractionisation of holdings ?

101. A suggestion has been made that a tax should be imposed on mutations with a view to checking fractionisation. Would you approve of this ? Is there any other means of effecting such a check ?

102. †" In old countries newly discovered natural resources of high values should not be allowed to become private property, and in new countries many natural resources, especially those that are practically certain to increase in value, should not be allowed to become private property except for a limited and predetermined period." Would you apply this principle, for instance, to waste land newly brought under an irrigation scheme ?

103. In view of the various and unequal ways in which land revenue is leviable within municipal limits in some provinces, would you advocate the adoption of a uniform plan or the abandonment of that field of taxation to the local authority ?

104. How would you arrive at the comparative incidence of the land revenue in different provinces ? Please give reasons.

The following are among the methods suggested—

(1) to divide land revenue by total population of the province,
(2) to divide land revenue by occupied area,
(3) to compare the assessment, where available, on soil units,
(4) to compare the percentage borne by assessment to rents or annual value,
(5) to compare the percentage borne by land revenue to gross or net produce.

Minerals.

105. The revenue derived from minerals consists of—

(1) royalties on minerals removed from lands that are the property of Government,
(2) income-tax on the royalties collected by zamindars and others on mines situated on their properties,
(3) income-tax on the profits of the companies that work mines.

Do you consider that any further taxation should be imposed on the exploitation of or trade in minerals, or the possession of mines ? If so, of what nature should it be ?

Local Taxation.

106. The services normally administered by local authorities are usually classified in two categories, *viz* :—

(*a*) national or onerous ;
(*b*) local or beneficial.

‡ Sirdar Gulab Singh, M.L.A., I.L.A. Debates, Volume IV, No. 55, pages 3758-99.
*Paper read by Professor T. A. Shahani before the 5th Annual Conference of the Indian Economic Association.
†Dalton : Inequality of Incomes, page 279.

Do you agree generally that the main criterionfor levying the taxes necessary for the services comprised in (*a*) is ability to pay, and for those comprised in (*b*) the measure of the benefits received ?

107. Do the taxesincludedin Schedule II to the Scheduled Taxes Rules give sufficient scope to local bodies, or would you prefer to givethem further powers of taxation? Should the levy of any specified taxes be imperative ?

108. Apart from taxes earmarked for particular services of a purely local character, the bulk of the revenues levied in India by municipalities and local boards is derived from taxes of three kinds, *viz.*, octroi (or its alternative the terminal tax), house and land tax, and land cess. To what extent are these taxes satisfactory from an economic point of view ? Do you consider that any of these taxes should be discontinued ? If so, by what tax or taxes would you replace them ?

109. Please comment on the following criticism of the octroi duty :—

"An octroi is in reality a local customs duty, inconvenient, clumsy and costly in collection ; its incidence is heavy upon the poor, since it is levied mostly upon necessaries ; it increases the cost of living, and the burden of the tax is not distributed in any degree in proportion to the benefits gained by local expenditure."‡

Does the same criticism apply to the terminal tax in the form in which it is usually levied in India ?

It is alleged that the octroi duty is liable to be extensively evaded. Can you confirm or refute this allegation from your own experience ?

110. What are the reasons which have operated to secure the retention of the octroi in parts of India for so long ? Are they still operative ?

111. Tolls have been abolished, save in a few exceptional cases, in most European countries. Do you consider that there is any justification for their general maintenance in any part of India ? If they are maintained, what should be the minimum limit of distance between one toll-gate and another ?

112. Is it right that the house and land tax and the land cess should be levied in whole or in part from the owner ? Is the owner able to shift the burden of the tax on to the occupier ?

113. In England, where the rates are normally paid by the occupier, a local authority has power to impose whatever rate may be necessary on the annual value of land and buildings, and in fact a rate exceeding 20 shillings in the £ is not unknown. In India the amount of the land cess and the rate of tax on land and houses which may be imposed by local authorities is generally limited. Do you consider that there are good reasons for such limitation ? If so, what are they ? Does the existence of this limitation tend to compel local authorities to have recourse to other forms of taxation which may be less defensible from an economic standpoint ?

114. What is the limit of exemption from the house tax in municipalities with which you are acquainted ? Have you any comments to make on it ?

115. What policy would you adopt in respect of the rating of land within municipal limits ? Would you approve a policy of rating it on its undeveloped value and of exemption of improvements ?

116. What is your experience, if any, of the levy of (*a*) a profession tax, (*b*) a tax on companies, or (*c*) a manufacturing tax on cotton ?

‡Armitage Smith : Principles and Methods of Taxation, page 176.

117. It has been generally recognised that it is unreasonable to require that the funds necessary to finance a national or onerous service in a given local area should be raised entirely in that area and that a proportion of the expense should be borne by the general tax-payer. The usual method of attaining this object is by means of grants-in-aid from general governmental funds. On what principle do you consider that such grants should be given? Should they be an unconditional contribution in general aid of local finances or should they be earmarked for particular forms of expenditure? On what basis should such subsidies be calculated?

118. The extent to which the Government providing the grant should retain control over the expenditure of the grant by making the payment dependent on the attainment of a minimum degree of efficiency in the administration of the service for which it is earmarked would seem to depend on the absence or presence of a sufficient local stimulus to ensure a reasonable standard of efficiency. Would you say that in India such a stimulus exists in the case of such important services as education, sanitation and road maintenance?

Taxes not at present levied in India.

119. A number of taxes which are levied in other countries and not in India have already been referred to under the preceding questions. The following are a few others:— Taxes on business profits, capital stock of corporations, employers of labour, hotels, mines and transactions in capital and exchange. In the event of further revenues being required to make up a reduction under other heads, do you advocate the introduction of any of these?

120. Please criticise the following alternative suggestions for filling any deficiency that may arise through the abolition or reduction of existing taxes:—

(*i*) J. C. Jack in the Economic Life of a Bengal District, pages 136-137: A universal income-tax, embracing every income and varying with the size of the family.

(*ii*) Professor K. T. Shah in Sixty Years of Indian Finance, pages 327 to 334:— Income-tax on agricultural incomes, succession duties tobacco monopoly, registration fee on marriages, tax on houses, tax on motor cars and other vehicles, tax on horses, servants and other means of display, tax on betel leaf and arecanuts.

(*iii*) A member of the Indian Economic Association held at Patna, page 38: A tax on dowries, to vary according to the size of the dowry.

(*iv*) Professor K. V. Rangaswami Ayyangar in the Proceedings of the Third Annual Conference of the Indian Economic Association, pages 196-198: Income-tax on agricultural incomes, tax on advertisements, death duties, tax on patent medicines, and on luxuries such as race-horses, motor cars, and costly imported articles of consumption, universal inhabited house duty, and increment value duty.

(*v*) Vakil in Financial Developments of Modern India, pages 538-541: Export duty on jute, 25 per cent. *ad valorem*, monopoly of shellac, export duty on hides and skins, marriage duty of one rupee by each party.

(*vi*) Sir Ganga Ram 'Production *versus* Reduction,' page 51,* 'the land revenue should be altogether abolished, substituting a produce tax of one-sixth of the value of each and every product of the land, including cereals and live animals. This tax I would charge on all such produce brought to the railway station, whether it be for provincial consumption, for transfer from one province to another, or for export to other countries, exempting only a certain local radius intended to cover home consumption.'

Tobacco.

121. "As an object of taxation tobacco is, from a fiscal point of view, even more desirable than salt. It is widely used and the amount used by any one person is never very

* Sir Ganga Ram.

large, yet the aggregate revenue is large. There is in favour of taxing tobacco the argument that it is not a necessity, and that if the tax leads to curtailment of consumption, so much the better from the social point of view. From an administrative point of view the tax on tobacco has the advantage of being administered at very low cost."†

Do you agree in the above statement of the case ?

122. The possible means of levying a tax on this article may be summarised as follows:—

(1) by imposing an acreage duty on cultivation ;

(2) by requiring all tobacco locally grown or imported to be sold to the State, by which it is made up and sold at fixed prices ;

(3) by entrusting similar functions of purchase and manufacture to a company in which the State holds a preponderating share ;

(4) by exercising a strict control over cultivation and allowing manufacture in bond ;

(5) by controlling all dealings subsequent to the initial sale by the cultivator to the manufacturer and prohibiting sale except in packages bearing a revenue stamp.

123. In view of the wide prevalence of cultivation both in British India, as illustrated by Annexure L, and in the Indian States, is any of these systems practicable in this country ? If so, which of them do you prefer ?

124. As regards control of cultivation, the French system eliminates the petty cultivator by refusing licenses for less than a specified area. The English system apparently produces the same effect through means of rules requiring bonds and the provision of suitable curing premises. Would you advocate the limitation of cultivation to areas in excess of a fixed minimum, and, if so, by what means would you effect this purpose ?

125. The produce per acre varies in a manner unknown in more temperate climates. In the event of an acreage duty being imposed, how would you get over the difficulty arising out of this circumstance ?

126. Would it be practicable to collect an acreage duty in Bengal without employing a very large additional staff ?

127. Would it be practicable to prevent import from Indian States ?

128. Would it be an appropriate way of securing the bringing of the leaf into bond to impose an acreage duty which would be recoverable on production of the receipt of the bonded warehouse ?

129. Would you permit the cultivator to grow a fixed maximum quantity for domestic purposes ?

130. Under a system of manufacture in bond or on payment of duty, at what stage of the preparation of the leaf should the tobacco grown be brought to account or assessed ? How would you control operations from the cutting of the crop to this stage ? What would be the effect upon the cultivation of the imposition of such control ?

131. Would you advocate the raising of a presumptive charge with reference to the quantity of the raw material to be used in the manufacture ?

132. The rates of customs duty on cigars, cigarettes, manufactured and unmanufactured tobacco and snuff, respectively, are given in Annexure M. If an excise were imposed upon local manufacture, at what rates would you fix it on cigars, cigarettes, manufactured tobacco, *bidis* and snuff ?

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† J. P. Jensen : Problems of Public Finance, pages 304-305.

133. Specific duties are objected to on the ground that they are regressive : *ad valorem* duties on the ground that they give rise to evasion. Which class do you favour in the case of tobacco, cigars and cigarettes ?

134. Annexures N and O atached illustrate the fluctuations of the imports and exports of the different classes of tobacco under different rates of duty. To what do you ascribe the increase in the imports of manufactured tobacco and the decrease in the export of cigars ? What would be the effect on the cigar trade of your proposals, if any, for local taxation of tobacco ?

135. To what extent are Indian-made cigarettes made of Indian and imported tobacco, respectively ? Would the imposition of an excise duty tend to handicap a growing Indian industry ? Would a heavy duty on imports of manufactured tobacco be preferable ?

136. Would you advocate the prohibition of wholesale and retail sale except under license ? If so, which of the following systems would you adopt :—

(*a*) to give contracts for monopoly of retail vend for fixed areas :
(*b*) to limit the number of licenses and sell them by auction ; or
(*c*) to issue licenses to all applicants on payment of a moderate fixed fee ?

Duties on inheritance or succession.

137. Nearly all modern communities have taxes on property changing hands at death; and Local Governments, politicians and economists have made proposals for the introduction of such duties in India. Do you agree that, in the event of new sources of taxation being required to replace old sources that may be condemned, such duties should be among the first to be considered ?

138. *" Taxes of this kind may be graduated on any of three principles ; they may vary with the size of the estate left, with the degree of relationship of those who inherit the property to the testator, or with the amount inherited by each individual heir." Would all or any of these methods be appropriate to the circumstances of India ? If not, what method would you suggest ?

139. Do you agree with the following propositions ?—

(1) †" Taxes on inheritance ought to be levied at unchanging rates in order to secure equality in the distribution of their burden."

(2) ‡" No personal tax can be administered with safety, facility and equity unless it covers the whole of an economic community represented by a nation."

(3) § " The most promising solution would seem to be in a system by which all inheritance taxes should be levied and collected by the Federal Government, but a distribution of the revenue arranged between the Federal Government and the several States."

140. A schedule of rates in force in different countries is attached as Annexure P. Do you consider any of these appropriate to India ?

141. The following ways have been suggested of meeting the difficulties arising out of the joint family system :—

(*a*) to apply the tax to the share of the deceased ;
(*b*) to tax the whole property of the family on the decease of each managing member ;
(*c*) to make an annual or periodical levy similar to that made in Europe in the case of continuing corporations, *e.g.*, by the English Corporation Duty, or the now repealed Increment Value Duty.

Do you consider any of these to be appropriate, or can you suggest any other ?

* Robinson : Public Finance, page 61.
† Bullock : Selected Readings in Public Finance, page 457.
‡ Stamp : Fundamental Principles of Taxation, page 21.
§ Taussig : Principles of Economics, Volume II, page 535.

142. Do you accept the proposition " that in the case of the larger landholders the administrative difficulties occasioned by the absence of any machinery for the collection of such a tax is insignificant as the law and practice of succession is analogous to that of England, and a similar machinery can be easily instituted to collect this item of revenue " *?

143. As regards the smaller proprietors, is the difficulty described in the following passage one peculiar to India ?

" There could be no great objection to the Succession Duty, if very small properties are exempted, say, those under Rs. 5,000 value. There is, however, the plea, urged long ago by Sir James Stephen, that a succession duty in India would operate most inequitably as, under the system of joint family and joint ownership in the family property, the demise of the head of the family in most instances would be an occasion, not of additional strength to the survivors, but rather of weakness, owing to the earning member of the family being cut off, and the consequent difficulty of making the property pay. As far as this argument affects the case of small proprietors, it is unanswerable."*

144. Presumably payment would be enforced primarily by invalidating transfers of property by persons who had not secured probate or a succession certificate. Would it be practicable to enforce it in the case of moveable property other than stocks and shares ? How could a valuation of other property be secured ?

145. If you agree that the tax should be centrally controlled what is the most appropriate agency for levying it ?

146. The tax in England is levied on all estates in excess of £100. What would in your opinion be an appropriate exemption limit in the case of India ?

Division of the Proceeds.

147. A memorandum is attached as Annexure Q in which the law and practice of Federal States in other parts of the world in respect of the division of taxes between the Federal and State Governments is stated. A leading writer sums up the possible plans under the following heads and recommends a combination of the second, third and fourth.† Do you consider that this offers a suitable basis for a theoretically correct distribution ?

(1) The taxes are assessed by local authorities with additions for the use of the Central Government.
(2) The tax is assessed by the Central authority with additions for local purposes.
(3) The separation of the sources of revenues that is, certain taxes are utilised for central and others for local purposes.
(4) The division of the yield ; that is, the revenues are collected by the Central authorities, but a portion of the yield is assigned to the localities.
(5) The system of subventions or payments from the Central to the Local Governments or from the Local to the Central Government.

148. When the Federal Government of the United States was dependent almost entirely upon the customs revenue, it was found that it was faced with " the dreary alternative of embarrassing surplus and embarrassing deficit."‡ Is there a danger of a similar result arising out of the fact that the revenues of the Central Government in India are largely dependent on fluctuations in trade ?

149. Is the present division, which proceeds entirely upon the basis of separation of sources, equitable as between provinces that are mainly commercial and mainly agricultural, respectively ?

150. Is it practicable to arrive at a more satisfactory distribution by broadening the basis of division under such a combination of methods as is above suggested ?

* Shah : Sixty Years of Indian Finance, page 328.
† Seligman : Essays in Taxation, pages 663 *et seq.*
‡ Bullock : Selected Readings in Public Finance, page 772.

151. To take the question of separation of sources first, do you consider that the difference of systems and the close connection of the land revenue administration with the general administrative arrangements make it essential that the land revenue should continue to be a provincial source of revenue ?

152. §" First among taxes naturally and almost necessarily national are taxes on exports and imports, based upon international trade and national markets and for this reason national in character."

Do you accept the above reasoning ?

153. When export duties are levied on goods that can be identified as the produce of a particular province, do you consider that there is a case for allotting them to the province concerned ?

154. Do similar considerations obtain in relation to excise ? The Indian excise system is peculiar in so far as the policy pursued of raising the dutiesas high as they will go without giving rise to, uncontrollable illicit practices has led to the imposition of a large variety of different rates on country spirits. The rates in the case of locally made foreign liquor, opium and hemp drugs, however, tend to equality. Would you advocate the reservation to the Central Government of a basic rate in each case subject to the right of the Local Governments to add a provincial rate and to retain the proceeds of the privilege of vend?

155. If tobacco were made subject to taxation, would you treat it in the same way ?

156. Income-tax and succession duties are generally regarded as taxes that must be levied at uniform rates andcentrally administered, becausebusinesses arenot confined to single States, while varying rates are apt to cause transfers of business to the localities where the tax is lightest. Do you accept this reasoning ? Do you consider that a division of the proceeds is practicable ? If so, on what principle should it be based ?

157. Do similar considerations apply to duties on transactions levied through stamp duties ? Would you draw a distinction in this case between judicial and non-judicial stamps ?

158. Are there any other taxes to which you would apply any of the three principles mentioned above ?

159. If you do not accept these principles, on what other lines of division would you proceed ?

160. Do you agree that local bodies " should rely primarily upon revenues referable to the principle of benefits, such as special assessments and fees of all kinds, ... upon the tax on real estate and especially upon land taxes ; and so far as further revenues are needed . . . .upon additions to the income-tax,"* which might take the form of a business or profession tax ?

161. Is the present system under which the district boards rely principally upon surcharges upon the land revenue or a corresponding charge on annual value satisfactory ? Should any limit be imposed by law upon such surcharges ?

162. In most states, the Central, Provincial and Local Governments are not allowed to tax the property or transactions of one another. Should this principle be applied to India ? If not, can you distinguish any principles which should regulate such taxation ?

Machinery of taxation.

163. " There are certain cases in which an agency of whatever nature by which a service is performed is certain, from the nature of the case, to be virtually single, in which a

§ American Economic Association—Report of the Committee on Co-ordination in Taxation, 1919.

* Seligman : Essays in Taxation, page 677.

practical monopoly, with all the power it confers of taxing the community, cannot be prevented from existing."† These considerations apply to the Post Office, Telegraphs, Telephones, Irrigation, Electric Power, Water Supply, Drainage, Gas and Electric Lighting. Do you advocate State enterprise with the attendant power of taxation in such cases ?

164. The services which are or have been monopolised in other countries include pawn shops and life insurance. Would you support monopolies of any such services in India ?

165. Another class of monopolies consists of monopolies of articles, the production or import of which is placed under State control for the purpose of regulation. Of these Bastable writes as follows :—

" To place the manufacture of an article in the hands of the State is a strong measure, to be justified only by very cogent reasons; but where the need of revenue is great, this sacrifice of a particular business to secure complete freedom for the others may be desirable. It cannot be disposed of by an appeal to the principle of non-interference as a rule peremptorily binding on the State. The real point to be aimed at is to secure the needed revenue with the smallest amount of restriction, a result sometimes best attained through monopoly."‡ Annexure R gives a list of articles in respect of which monopolies are in force in different countries. Do you approve of the principle of monopoly in the case of any of these articles ?

166. The present administration of salt, opium and hemp drugs in India is based largely on monopoly, while in the case of spirits, a monopoly of wholesale supply is given where the contract supply system is in force. Would you recommend any extension of these features of the system ?

167. The following statement sums up the result of experience in the United States of America :—

'Conditions of administration are about as important as the rate of taxation in determining the success or failure of property and income-taxes. Under a purely local system of administration there never was and never will be a generally satisfactory assessment of either income or property, for reasons perfectly familiar to us all. Central control of the process of assessment is necessary for the successful operation of either a property or an income-tax, and hardly more so for the one than for the other.'§

Do you think it is applicable *mutatis mutandis* to conditions in India ?

168. In the last century practically all taxation functions were combined over a large part of India in the hands of the Land Revenue staff. Owing to the advance of specialisation this staff now conducts very few such functions other than those directly connected with the land. Are there any other taxation functions which they could now undertake ? If not, is the staff excessive for its present duties ?

169. Prior to the Reforms combined staffs were employed on the administration of taxes which are now controlled by different Governments, as in the case of Salt and Excise. Has the breaking up of these establishments resulted in any decrease in efficiency or increase in expense ? Is any new combination possible : for instance, as between the staff responsible for Salt, Customs and minor ports ?

170. Do any proposals for similar combinations arise from suggestions you may have made in respect of the questions relating to the central administration and division of taxes ?

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† Mill : Principles of Political Economy, Book V, Chapter XI, paragraph 11.

‡ Bastable : Public Finance, page 539.

§ Bullock : Selected Readings in Public Finance, page 482.

171. Mr. Adams* wrote in relation to the Wisconsin income-tax :* "The greatest need of the tax system was a set of officers not dependent for the retention of their offices upon the favour of the people whom they assess." In Switzerland most of the cantons have provision for the revision of assessments by a special authority. In France† all appointments are vested in the Prefect subject to rules fixed by general statute. Even the officer who administers the octroi in a municipality is not appointed by the municipal authority. Similar central control is imposed over the local administrations in Germany.‡ Does your experience of administration of taxes by authorities subordinate to popular bodies confirm the experience of these democratic countries in regard to the desirability of independence of electorates and central control ?

ANNEXURE A. (Question 1.)

I.—AGRICULTURAL STATISTICS.

(*a*) *General.*

Statistics of area and yield of the principal crops for every year are published by the Commercial Intelligence Department in the 'Estimates of Area and Yield of Principal Crops of India,' tables 4 to 17. Figures of area under cultivation for both these and the remaining crops are published annually under the title of 'Agricultural Statistics of India.'

2. Three factors go to make up the estimates :—

(*i*) the estimate of areas sown,
(*ii*) the estimate of normal crop, and
(*iii*) the estimate of the crop for the year in terms of the normal crop.

3. The estimate of areas sown is based in the greater part of Madras, Bombay and Sind, the United Provinces, the Punjab, the Central Provinces and Berar, the North-West Frontier Province, Burma and Assam on cadastral survey maps and the reports of village officials as to the areas sown with the principal crops. These reports are in the majority of cases subjected to a certain amount of check by superior officers. In the Punjab and Burma the areas are based on the survey figures only in the districts in which the main crops are largely grown ; for the other districts the figures are based on rough estimates prepared by the Directors of Agriculture.

4. In Bengal, Bihar and Orissa, about one-third of Madras, the hill tracts of the United Provinces, and Assam there is no accurate survey or reliable village staff. In the first two areas the figures are supplied by the village policemen to the police stations ; in the others the estimate is based on the previous years' figures, the state of the seasons and the figures for neighbouring areas.

5. As regards the estimate of normal outturn, there is no universal meaning attached to this term, which is variously interpreted as the most general recurring crop, the typical crop of the area, the just return to the cultivator, the return under normal rainfall or the average over a series of years. The standard is fixed in Madras, the United Provinces, Bengal, the Central Provinces, Burma, Assam and the North-West Frontier Province on crop-cutting experiments, which are made from year to year and reviewed every five years. The last quinquennial report, published in 1924, shows that the results of the experiments from 1916-17 to 1921-22 were far from reliable. In Bombay the standard is based on local estimates of average yield and in Bihar on local information.

6. The estimate of outturn is made by the village officers, who report the crop of the year as representing so many annas more or less than the standard. These estimates are the purest guess-work, and experience shows that the most expert officers are liable to be

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* Bullock : Selected Readings in Public Finance, page 411.
† Poincare : How France is Governed, page 66.
‡ Bullock : Selected Readings in Public Finance, page 752.

greatly mistaken in making estimates of the kind. These estimates have again to be corrected owing to the fact that the number of annas taken as the normal crop is not the same in all areas. To correct this error the normal is taken as a hundred and the estimate is converted into a percentage of this figure. This percentage, multiplied by the area, multiplied by the normal outturn, gives the estimate of the yield. The inaccuracy of the method pursued may be illustrated by the fact that in the province of Bihar and Orissa it was found that the yield was higher than in the adjoining provinces. When, however, the Bihar Government examined its method of compilation, it was found that the yield was really 30 per cent. less than what had been reported. The mercantile community places little confidence in these statistics. In one province they are reported to add 25 per cent. before utilising them.

7. The following are two authoritative criticisms of these figures. A Resolution of the Government of India in the Finance Department of the 24th October, 1914, says:—

"For the immense areas of Bengal, Bihar and Orissa, for about one-third of the Madras Presidency, for the hill tracts in the United Provinces and in Assam—and, it may be added, for the Native States, which, though excluded by Mr. Datta, cannot legitimately be ruled out of account—neither the area under cultivation nor the area under food grains is known with any accuracy; and for such areas Mr. Datta had no alternative but to base his statistics of cultivation on more or less arbitrary assumptions. Further attempts to estimate the total outturn of agricultural produce, even when the area is definitely ascertainable, are beset with insuperable difficulties. The normal yields per acre, the foundation of all such estimates, are notoriously untrustworthy. These yields have been revised from time to time. There has been some revision even since Mr. Datta's report was written, but the figures are still far from satisfactory. The remaining factor in the calculation, the percentage of the yearly outturn to the normal, is a still more uncertain quantity, resting as it does on district returns, which are little more than loose conjectures, vitiated in particular by a distinct bias in the direction of under-estimation. Finally, the whole mass of material, comprising elements of every degree of validity, has to be reduced by a complicated process of averaging and weighting and it is evident from a study of the detailed results that here, too, considerable further difficulty has been experienced and divergent methods employed."

The Sugar Committee, which reported in 1920, made the following comments on the compilation of statistics of area and yield of sugar-cane:—

"As regards the area under cultivation, the Committee accept the view that figures of the area under cane are on the whole fairly accurate, except in the tracts which have a permanent settlement. The area under cane in Bihar and Orissa and Bengal, which stand third and fourth respectively amongst the cane-growing provinces of India, is sufficiently large to make this a matter of some importance. The Committee draw attention to the not infrequent discrepancies between the area under cane in each province as given in the "Agricultural Statistics" volume and the same area as given in the "Area and Yield" volume.

"As regards the standard normal outturn, the figures given are very unsatisfactory and little reliance can be placed on them. The evidence which the Committee received was by no means such as to justify the figures of yields given for certain tracts.

"As regards the 'anna estimate,' it is in the first instance framed in most cases by the "patwari," or village accountant, or an official of similar standing. Opinion is unanimous in regard to the reliability of the estimates so framed and there is little doubt that the outturn of all crops in India is persistently under-estimated. It has frequently been pointed out that the main reason for this is the ingrained pessimism of the Indian cultivator and village official, as a result of which it is very rarely that a normal crop is reported.

"It is doubtful whether non-official agencies are in a position to render as great a measure of assistance in the compilation of the cane forecast as in that of other commercial crops; but effort should be made to enlist the assistance of factories and large and small landholders in the work of crop reporting."

(*b*) *Special Crops.*

Tea.—The figures of production are based in the main on reports received from the gardens. Where no reports are made, estimates are sent by the local officers. The prices given are those realised at the annual auction sales at Calcutta and the values declared at time of export.

The report on the Production of Tea in India (Commercial Intelligence Department) gives the following details :—

(1)	Area under cultivation	Table 1
(2)	Production of tea in India	„ 2
(3)	Number of persons employed on tea plantations	„ 3
(4)	Quantity of tea exported	„ 4
(5)	Average value of Indian tea sold at auction sales in Calcutta and average declared values at time of export	„ 13

Cotton.—The "Estimates of Area and Yield" published annuallly (Commercial Intelligence Department) contain an estimate of the cotton crop for each year. This can be checked roughly by adding the amount of exports to that of the home consumption and deducting the imports. An account of the quantity consumed by the mills is published every year in the Report of the Bombay Millowners' Association and an estimate of the consumption outside the mills is made annually by the Bombay Cotton Trade Association. The annual "Review of the Trade of India" contains the statistics of imports and exports.

Rubber.—A special supplement is published in *The Indian Trade Journal* under the title of "Rubber in India," and contains statistics based on data furnished by rubber planters.

Table No. 1 gives figures of area under rubber.

Table No. 2 gives statistics of the production (in lbs.) of dry rubber.

Table No. 3 is a detailed statement of area and production.

Table No. 5 gives statistics of raw rubber exported from British India.

Jute.—Estimates of the crop are published annually in the "Area and Yield of Principal Crops."

Statistics of the consumption of jute in the mills are given on page 625 of the "Statistical Abstract of British India, 1923."

The quantity of raw jute exported is published in the "Review of the Trade of India."

The Indian Jute Mills Association publish an annual report. The report for the year 1922 gives the following statistical statements about jute :—

Statement I gives figures of local consumption of raw jute.

Statement VII gives a comparative statement of the forecast of the jute crop and the actual consumption for the years 1892-93 to 1921-22.

Statement XIV gives figures of cultivation and production of jute (in bales of 400 lbs.) for 27 years from 1896—1922.

Coffee.—Data of the area under coffee and the production of the same are given in the "Agricultural Statistics" and in Tables 1—3 in the supplement on coffee to the *Indian Trade Journal.* This supplement also gives the figures for imports and exports. The data of area and production in the supplement are compiled from the returns received from plantations in excess of 10 acres in extent.

(*c*) *Live-stock.*

The first general quinquennial census of cattle was taken in 1919-20, and it has been continued since then annually in some provinces and quinquennially in the rest. The results, though better than those obtained in the earlier years, are not satisfactory, as the village authorities cannot be relied upon for anything but very rough figures. Moreover, the methods of collecting the figures, which do not necessarily ensure simultaneous computations in the various districts or include the animals in towns and cantonments in all cases, can lead only to approximate results.

The Agricultural Statistics of British India, Volume I, 1921-22, contain tables giving the following information :—

(1) Number of cattle—(*a*) per 100 acres of area sown, (*b*) per 100 of population, province by province.
(2) Number of animals of various kinds in each province for a number of years.

(*d*) *Forests.*

Statistics regarding quantity and value of forest produce are based on the Forest Administration Reports published separately by each province.

Imperial forms 19 and 20 of the Reports in the following provinces contain statistics of the total quantity and value of major produce like timber and fuel and minor produce like bamboos, grass, etc., extracted from the forests :—

(1) Bengal.
(2) North-West Frontier.
(3) Baluchistan.
(4) Ajmere-Merwara.

The reports for the following provinces contain statistics of quantity only in case of timber and fuel, and of both quantity and value in case of minor produce as bamboos, grass, etc. :—

(1) Burma—Imperial Forms 19 and 20.
(2) United Provinces—Imperial Forms 19 and 20.
(3) Punjab—Imperial Forms 19 and 20.
(4) Bombay—Forms 63 and 64.
(5) Madras—Forms 76 and 77.
(6) Bihar and Orissa—Imperial Forms 19 and 20.
(7) Assam—Imperial Forms 19 and 20.
(8) Central Provinces—Imperial Forms 19 and 20.

The above statistics refer to the forests under the Forest Authorities. No statistics are available regarding the forests administered otherwise or private forests.

(*e*) *Fisheries.*

The reports of Government departments give only figures of the results of isolated experiments or of the sums realized by sale of fishery rights. The only general source of information is the census report which, however, gives only the number of people earning their living wholly by fishing in 1921 (table 19 Statistical Abstract).

II.—INDUSTRIAL STATISTICS.

(*a*) 1. *Minerals.*—The Statistical Abstract of British India (pages 658-677) contains statistics of production and value of the following minerals and of the consumption of kerosene in India (excluding Burma) :—

Salt, Coal, Gold, Petroleum, Chromite, Copper ore, Diamonds, Graphite, Iron ore, Jadestone, Lead, Magnesite, Manganese ore, Mica, Monazite, Platinum, Rubies, Sapphires, Spinels, Saltpetre, Silver, Tin ore, Wolfram, Zinc ore.

Other figures are available in the "Commercial Statistics of British India," but they are not so accurate as those in the "Statistical Abstract."

The "Records of the Geological Survey of India," Volume LIV, paragraph 2, 1922, contain the latest and more accurate statistics of the production and value of the various minerals for the years 1920 and 1921.

Coal.—Returns of production are sent by the Managing Agents of the mines, under the Indian Mines Act, VIII of 1901, to the Chief Inspector of Mines, who forwards them to the Commercial Intelligence Department. The "Report of the Chief Inspector of Mines," 1923 (Appendix I, Table I), contains detailed statistics about these mines. The figures are supplemented by the Director, Geological Survey of India, who receives returns from the local authorities and from the Political Agents regarding the non-Act mines and those in the Indian States. For complete figures of production reference may be made to "Mineral Production of India," published in the Records of the Geological Survey and to the "Quinquennial Review of the Mineral Production of India," published every five years by the same department, and to the Statistical Abstract of British India, page 658.

Information regarding consumption of coal is obtained from the Railway Board, the Coal Transportation Officer, the Steamer Companies, the Port Trusts, the mill owners, factory owners and others. According to the "Commercial Statistics" the figures can be regarded only as very rough estimates (page xviii). The same opinion is expressed in the "Report on the Production and Consumption of Coal in India," 1923 (supplement to the *Indian Trade Journal*).

"The Seaborne and Railborne Trade Accounts" (published by the Commercial Intelligence Department) contain figures of the import and export of coal.

The value of the coal produced is reported annually by the coal-mine owners, being the value at the mouth of the pit.

The figures of capital invested in the coal industry can be found in the Report of the Registrar of Joint Stock Companies.

The "Commercial Statistics of British India" contain, among other things, the following information about the coal industry :—

(1) The average value per ton of coal extracted from the mines in India	Table 32
(2) The average price per ton of Indian and Welsh coal at the ports of Calcutta, Bombay and Karachi	,, 33
(3) The average number of persons employed daily in the coal mining industry in India	,, 34
(4) The quantity and value of the imports of foreign coal	,, 35
(5) Quantity of Indian coal exported	,, 36
(6) The consumption of coal in India	,, 42

2. *Cotton Mills.*—The Bombay Millowners' Association Report, 1922, contains statistics regarding the following features of the cotton industry :—

(1) Production and export of yarn	Page 3
(2) Consumption of cotton in the mills	,, 5
(3) Quantity and counts of yarn spun	Pages 433—440
(4) Quantity and description of woven goods	,, 441—449

The "Commercial Statistics of British India" contain statistics regarding the following features of the industry :—

Table 12.

(*a*) Number of mills in existence.
(*b*) Authorised capital.
(*c*) Persons employed.
(*d*) Looms and spindles.

Table 19.

Statistics of excise duty realised from goods woven in the cotton mills under the Cotton Duties Act, II of 1896. These are compiled from special official returns, which, as regards the production of yarn and woven goods, are based on returns made by the millowners under the above Act.

The amount of capital invested in the cotton mills is available in the "Report of the Registrar of Joint Stock Companies," 1921-22. (Table 4.)

3. *Jute Mills.*—The "Commercial Statistics of British India" contain statistics regarding the following features of the jute industry which are compiled from special returns received from local authorities and also from returns received direct from the managing agents of the mills.

Table 20.

(*a*) Number of mills.
(*b*) Authorised capital.
(*c*) Paid-up capital.
(*d*) Persons employed.
(*e*) Looms and spindles.

The figures of consumption of jute in mills are published in the "Statistical Abstract of India," page 625.

The Indian Jute Mills Association's report contains the following tables :—

Statement XII gives movement of jute manufactures.
Statement XIII gives jute mills in India.
Statement XVIII gives the actual clearances of gunny cloth from Calcutta.
Statement XIX gives the actual clearances of jute fabrics from Calcutta.

4. *Breweries and Distilleries*—

Distilleries.

Number of private distilleries.—This is given in Imperial Return No. III in the Reports on the Excise Administration of the various provinces and also on page 631 of the Statistical Abstract for British India (Table 310).

The total issues from distilleries.—The number of proof gallons issued from the distilleries is given in Imperial Return No. IV in the Reports on the Excise Administration of the various Provinces.

Breweries.

Number of Breweries.—This is given in Imperial Return No. III in the Reports on the Excise Administration of the various provinces and also on page 631 of the Statistical Abstract for British India (Table 310).

Production in gallons.—This is given in Table 309 on page 627 of the Statistical Abstract for British India.

5. *Salt.*—Besides the Administration Reports of the Provincial Salt Departments there is also a consolidated report for the provinces in Northern India issued by the Northern India Salt Revenue Department.

Statistical data concerning salt are also given in the Statistical Abstract for British India and in the 'Salt' supplements issued with the *Indian Trade Journal.*

The quantity and value of salt produced in India is given in Table No. 72 on page 144 of the Statistical Abstracts for British India.

Table No. 73 (*pages* 147-151) in the Statistical Abstract gives the amount of salt revenue and charges for the various provinces for the years 1910-11 to 1920-21. The salt available for consumption in the various provinces is given in Table No. 74 (on pages 150-151) of the Statistical Abstract for 1911—1921. The quantity of salt sold in each province is given in Table No. 75 (on page 152-153) of the Statistical Abstract for the years 1911—1921.

Rate (per maund) of duty and selling price of salt.—

This is given in Table No. 76 (on pages 154-155) of the Statistical Abstract.

'Salt Statistics' supplement to the *Indian Trade Journal,* 1st February, 1923.—

In this supplement the issues, imports, exports and movements of salt in India are given for all the provinces in India for the years 1911—1922.

(*b*) *Statistics of Minor Industries.*

An estimate of the production of cotton cloth by handloom weavers.—An estimate of the production of cotton cloth by handloom weavers is made in paras 8 to 13 (pages 94-95) and is illustrated in six statements (pages 95-101) in Appendix I in the appendices volume to the Report of the Indian Industrial Commission.

The method adopted may be expressed in the following terms:—

Yarn imported *plus* yarn produced in Indian mills *minus* yarn exported *plus* yarn consumed by Indian mills *is equal to* yarn available for handloom weavers.

(*c*) *Returns of Companies Floated.*

Joint stock companies.—Statistics are compiled from the reports and returns prepared by the Registrars of Joint Stock Companies under the Indian Companies Act, the Indian Life Assurance Companies Act and the Provincial Insurance Societies Act, and in some Indian States, under their respective Acts.

The annual "Report on Joint Stock Companies," 1921-22 (Commercial Intelligence Department) contains the following statistics:—

Table 1.

Number of companies working in India and their authorised and paid-up capital.

Tables 4 *and* 4-*A.*

Number and paid-up capital of companies of each class at work in India from 1897 to 1922.

Table 5.

Number, description and capital of new companies registered.

Table 7.

Number, description and capital of companies incorporated elsewhere than in India, but working in India.

(*d*) *Statistics of Trade.*

Imports.—The value of imports of private merchandise into British India by sea is given in Table 215 of the Statistical Abstract for British India.

Table 218 of the Statistical Abstract gives information about the quantity of imports of principal articles.

Table 4 (page 4) of the Review of Trade gives the value of imports.

Exports.—The quantity of exports of principal articles of Indian produce and manufactures is given in Table 222 of the Statistical Abstract, the value of exports is given in Table 221.

The quantity and value of principal articles of exports arranged in the order of their importance is given in Table 7 on page 45—Review of Trade of British India.

Railways.—The Statistical Abstract of British India Table 202 gives numbers of passengers conveyed on the several railway systems in India.

Particulars about quantity of goods and minerals conveyed by the several railways is given in Table 203, details of gross earnings are shown in Table 204 and Table 205 contains details of working expenses. The net earnings of the several railways are given in Table 206.

The return of Inland Trade has been discontinued since 1921-22.

III.—STATISTICS OF PRICES.

The following are the principal statistics published:—

I. Fortnightly return of wholesale prices of 30 articles at 68 principal markets published in the *Gazette of India.*

II. Fortnightly return of retail prices of food grains and salt at district headquarters published in Provincial Gazettes.

III. Return of average annual wholesale prices of 25 articles in 92 principal markets published in 'Prices and Wages of India.'

IV. Return of prices of staple articles of import at Calcutta and Bombay and of staple articles of export at the five main ports published in the 'Prices and Wages of India.'

V. Return of average annual retail prices of food grains and salt at 23 selected markets published in the 'Prices and Wages of India.'

The figures are collected in Madras and Bombay by clerks in the offices of the officers in charge of Tahsils, in the Central Provinces by the Kanungo, an intermediary between the Tahsil and the village officer, in the United Provinces, Punjab and Burma by Bazaar Chaudhris and in Bengal and Bihar, where there are no Tahsil officers, by petty subordinates.

There are many difficulties attending the collection. It is impossible to secure anything like uniformity in reporting on such an article as 'best rice' or 'second quality rice' at a great variety of different times and places; the measures in use vary from place to place, and errors are frequently made in converting them to standard; there are sometimes reasons

personal to the reporting officer which affect the report, as when the return regulates the price to be paid for carts or to be received in the shape of compensation for dearness of grain and there is sometimes a reluctance to make a change, as when a Tahsildar explained a totally incorrect entry by saying that the figure had remained unchanged for eight years and that he did not feel justified in altering it.

It is not surprising in these circumstances that the figures will not bear the test of comparison with those for neighbouring districts or of the returns of wholesale with those for retail price.

From a statement furnished by the Director-General of Commercial Intelligence it was calculated that between 1897 and 1910 the retail prices of rice given in the 'Prices and Wages of India' were actually lower than the wholesale prices for the same place on 90 occasions, that is to say, 18 per cent. of the total quotations; for wheat on 105 occasions, *i.e.*, 22 per cent., for barley on 88 occasions, *i.e.*, 33 per cent., for jawar on 180 occasions, *i.e.*, 33 per cent., for bajra on 111 occasions, or 30 per cent., for ragi on 39 occasions, *i.e.*, 31 per cent., for maize in 105 cases, *i.e.*, 38 per cent., for gram in 106 cases, *i.e.*, 26 per cent., for arhar dal in 83 cases, *i.e.*, 20 per cent.

The Indian Sugar Committee commented on these returns in the following terms:—

"As regards the statistics of prices the Committee hold that they were completely unreliable. The unreliability of prices returned may be gauged from the fact that at Meerut the prices of sugar show an increase of 200 per cent. in 1908 over 1907. The difference between wholesale prices of imported sugar in the same two years as recorded in the much more reliable Table 5 is less than 10 per cent. at Calcutta and 8 per cent. at Bombay. Either the official figures are, therefore, wrong, or they refer to quite different things. The two main defects of price statistics are:—

(*i*) Sufficient care is not taken to see that the figures returned accord with even approximate accuracy to the facts.

(*ii*) No care is taken to ascertain the exact nature and quality of the products to which the reported facts relate. The result consequently is confusion and inaccuracy.

IV.—Statistics of Income.

(*a*) *Income-tax Statistics.*

Amount of Taxes on Income and charges.—This is given in Table 87 (pages 178-79) for the various provinces for the years 1911-21 in the Statistical Abstract for British India.

Details of Taxes on Income.—This is given in Table 88 (on page 180) for the period 1911-21 in the Statistical Abstract.

Classification of the grades of Income-tax collected in the various provinces and the number of assessees in each grade.—This is given in Return No. IV of the Report on the Income-tax Administration of the various provinces. Return No. V in those reports gives the same particulars for super-tax.

Up till the year 1916-17 these returns showed also the trades and professions of the assessees in each grade. Since 1917-18 these particulars have been discontinued.

(*b*) *Statistics of Wage Earners.*

The statistical data about wages given in Tables 19-22 of the 'Prices and Wages' in India were up to 1921-22 compiled from half-yearly returns received from certain Indian States and Baluchistan, from annual returns received from the Central Provinces, the Post Office, the State Railways, and certain workshops, business establishments, collieries and mills, and from the reports of the Quinquennial Wage Censuses held in the other Provinces.

Table 19 gives the range of the monthly wages of able-bodied agricultural labourers, syces and village artisans in Baluchistan and certain Indian States.

Table 20 gives the range of the wages for skilled and unskilled labourers in urban and rural areas of the Central Provinces.

Table 21 gives the range of wages of skilled and unskilled labourers in the urban and rural areas of the other provinces as reported in the Provincial Wage Censuses of 1911 and 1916.

Table 22 gives the range of wages for the following :—Postmen and postal runners, the employees in some railways, the skilled and unskilled labourers engaged on the Orissa Canals, the skilled and unskilled labourers in a paper mill in Bengal, at the Murree Brewery, the employees of B. I. S. N. Company at Calcutta and Bombay, at the collieries in Bengal, at an engineering workshop in Meerut, at the Army Boot Factory, Cawnpore, in the Petit Cotton Mills, Bombay, in the cotton mills managed by Messrs. Binny and Company, Madras, at the Salonah Tea Plantation, Assam, in some other tea gardens of Assam, in a jute mill in Bengal and in a rice mill at Rangoon.

The statistics given in some of these tables were found to be so unreliable that the compilation was abandoned after 1921-22. A proposal was then made to conduct a wages census either upon the basis of mass production or on that of family budgets. After considerable discussion, however, this proposal was also abandoned as impracticable without expenditure that was at the time out of the question, and the actual outcome has been a few isolated compilations of family budgets. It was also held that it was impossible to secure these figures without legislation, and a Bill on the subject is now before the Bombay Legislative Council.

V.—Vital Statistics.

Tables 182 to 198, pages 372 to 420, Statistical Abstract for British India from 1911-12 to 1920-21, show the births and deaths in the various provinces according to sex, town and country and community and cause of deaths, the number of deaths from plague, the number of hospitals and dispensaries and the number of lunatics.

The following observations are made in paragraph 12 on page 14 of the Census of India (Volume I, Part I) about the Vital Statistics collected in India :—

" The cumulative effect of the various health factors on the vitality of the population is shown in the variations of the birth and death-rates, but before making a use of the recorded vital statistics it will be well to form some estimate of the accuracy and value of the records. The registration of vital statistics is established throughout British India except in the more remote and backward tracts. The system of collection differs in detail in different provinces. It is usually based on information of births and deaths recorded in the village (often by the headman of the village) and passed on periodically to some local authority, usually the police, by whom registers are maintained. Extracts from these registers are sent to the local officer who is responsible for the records of public health, and by whom they are compiled for the district and so eventually for the province. The information includes particulars of the births, including stillbirths, and death by sex and religion and the classification of the deaths under certain categories of age and of disease. The records both in the villages and in the local offices are periodically checked by touring officers of various departments. In municipal towns the registration of vital occurrences by the house-holder is usually compulsory by law, and the registers are maintained by the municipal authority. Owing chiefly to carelessness in administration, the standard of accuracy is probably not as high in the towns as in the rural areas.

" As a result of the various tests which have been made and of the general experience of those who are in the best position to estimate the value of these records the following propositions may perhaps be accepted :—

(1) In rural areas the omissions in the record of numbers vary up to about 20 per cent.

(2) The record of births is normally less accurate than that of deaths.

(3) In urban areas the standard of accuracy varies greatly according to the attention given by the local authorities. It is usually lower than in rural areas, but it has been considerably improved of recent years, *e.g.*, in Poona and Ahmednagar.

(4) The records of the causes of mortality are defective. Plague, cholera and small-pox are now often fairly correctly recorded when the epidemic is established. Other distinctions (*e.g.*, deaths from respiratory diseases) are sometimes roughly made, but the bulk of deaths, the specific cause of which is not recognised locally, are ascribed to "fever." Age categories are, outside a certain limit, a matter of guess work, but the errors are probably of the same kind as those in the census tables.

(5) Except for progressive improvement in urban areas and occasional breakdowns during epidemics the errors are more or less constant from year to year."

ANNEXURE B. (Question 2.)

List of estimates of wealth and income of India.

Name of Publication.	Area dealt with.	The year for which the estimate was made.	Total income in crores of Rupees.	Income per capital in Rupees.
			Rs.	Rs.
1. Poverty and Un-British Rule in India by Dadabhai Naoroji (1871).	British India ..	1867—1868	340	20
2. Financial Statement for 1882	Ditto	1881	525	27
3. 'Prosperous' British India by William Digby, 1901.	Ditto	1898	429	17.5
4. Financial Statement for 1901-02 (His Excellency Lord Curzon's Speech on the Budget).	Ditto	1901	675	30
5. 'Industrial Decline of India' by Dr. Balkrishna (1917).	Whole of India ..	1911—1912	(*a*) 1,078 (*b*) 539 (*c*) 431.2	 21 16.5
6. 'The Wealth of India' by Professors P. A. Wadia and G. N. Joshi (1924).	British India ..	1913—1914	1,210	44
7. 'Happy India' by Arnold Lupton (1922). ..	Ditto	1919—1920	2,854.5	114
8. 'Wealth and Taxable Capacity of India' by Professor K. T. Shah and Mr. K. J. Khambata (1924).	Whole of India ..	1900–1914 1914–1922 * 1900–1922 1921–1922	1,106 1,862 1,380 2,364	36 58.5 44.5 74
9. 'The Science of Public Finance' by Findlay Shirras (1924).	British India ..	1921 1922	2,598 2,866	107 116
10. Dr. Slater's Estimate, 1922†	Madras Presidency.	1919—1920	(*d*) 434 (*e*) 475	102 112

* Annual averages.

† Issued as a pamphlet of the Publicity Office, Madras, and later published in the Madras Year Book, 1923, pages 788 to 793.

(*a*) Gross value of agricultural produce.
(*b*) Net value allowing 50 per cent. of gross value for cost of production.
(*c*) " 60 " " " "
(*d*) The non-agricultural income being taken at 40 per cent. of that from agriculture on the authority of 1911 Census, which gives the number engaged in non-agricultural occupations as 40 per cent. of those engaged in agriculture.
(*e*) The non-agricultural income being calculated at 50 per cent. of that from agriculture for purpose of comparison with former enquiries which have calculated it at that rate.

ANNEXURE C. (Question 8.)

LIST OF INTENSIVE ENQUIRIES INTO INCOMES OF PARTICULAR CLASSES.

I.—Workers generally—

MADRAS.—Mr. Gray's report on statistics of wages.

BOMBAY.—Mr. Shirras's report on working class budgets.

Appendix W. to the Bombay Census Report, 1921, containing 6,000 family budgets.

BURMA.—Mr. Grahame's note on the occupations in the Mandalay district in the 1921 Census Report.

BIHAR.—Family budgets collected by members of the Patna College Chanakya Society, 1910-13.

ASSAM.—Family budgets of different classes collected at the Census (1921).

BALUCHISTAN.—Family budgets collected at the Census (1921).

II.—Agriculturists—

MADRAS.—Settlement reports of Bellary and Tanjore.

'Rural Economics'—Sir A. P. Patro.

'Some South Indian Villages'—Slater.

'Economics of a Coimbatore Village'—Article in Madras Agricultural Students' Journal.

BOMBAY.—Settlement reports.

Decennial reports on economic progress in rural areas.

'Agricultural Progress in Western India'—Keatinge.

'Rural Economy in the Bombay Deccan'—Keatinge.

'Social and Economic Survey of a Konkan Village'—Ranade.

'Land and Labour in a Deccan Village'—Mann.

Report on the economic condition of certain villages in Sholapur and East Khandesh by the Mamlatdar of Co-operative Societies.

Report of the Konkan Co-operative Enquiry Committee.

Enquiry into agricultural wages—Shirras.

Report of the Pardi Economic Enquiry Committee.

BENGAL.—Settlement Reports of Faridpur, Mymensingh, Midnapur, Dacca, Backerganj and Rajshahi.

'Economic Life of a Bengal District'—Jack.

Enquiry into the family budgets of agriculturists, now being conducted by the Co-operative Department.

THE UNITED PROVINCES.—Settlement Reports of Muzaffarnagar, Bulandshahr, Saharanpur, Etawah, Fatehpur, Allahabad, Basti and Gorakhpur.

Article in the Indian Economic Journal by Mr. Dubey on the Food Problem (Vol., III, Part I).

PUNJAB.—Settlement reports.

Report on the Economic Survey of Bairampur—Hoshiarpur District.

'The Land of the Five Rivers.'

'Wealth and Welfare of the Punjab'—Calvert.

Articles in the Indian Economic Journal by Mr. Darling on the Rise in the Rural Standard of Living in the Punjab. (Vol. V, Part I, pages 1—19.)

Also on Prosperity and Debt in the Punjab. (Vol. III, Part 2.)

'Economic Life of a Punjab Village'—Dr. Lucas.

'Enquiry into Agricultural Mortgages'—Calvert.

Reports of the Punjab Economic Enquiry Board.

'Punjab Food Prices'—Prof. Myles.

BURMA.—Settlement reports.

Memorandum on the material condition of the People of Burma from 1912 to 1922.

Report on Indebtedness in the Irrawaddy Division by Mr. Clayton.

Report of an Inquiry into the condition of agricultural tenants and labourers by Mr. Couper.

BIHAR.—Settlement Reports.

CENTRAL PROVINCES.—Settlement Reports.

Enquiries into Agricultural Incomes by Deputy Directors of Agriculture.

ASSAM.—Settlement Reports.

Report of Special Enquiry into the Hailakandi Flood Area.

III.—Industrial Labour—

INDIA—GENERAL.—'Indian Labour'—Dr. Broughton. Labour in India—Miss Kellman.

Factory Labour in India.—Dr. Rajanikanta Das.

MADRAS.—Annual reports of the Commissioner of Labour.

Wages Census by the Commissioner of Labour.

BOMBAY.—Enquiry into the Wages of Cotton Mill Workers—Shirras.

BURMA.—Note on the Rice Mill Industry.

IV.—Middle Classes—

MADRAS —Report of Salaries Committee.

BENGAL.—Report of Bengal Unemployment Committee.

PUNJAB.—Family Budgets of Clerks—Mrs. Caleb;

BURMA.—Mr. McCallum's Report on Local Allowances.

V.—Tea Garden Labourers—

ASSAM.—Report of the Assam Labour Enquiry Committee.

ANNEXURE D. (Question 21.)

Adam Smith.—" As he (the consumer) is at liberty too, either to buy or not to buy, as he pleases, it must be his own fault if he ever suffers any inconvenience from such taxes."

Decker proposed a scheme for raising all the revenue by a single tax on luxuries, of which he said :—" All persons tax themselves voluntarily, than which nothing can be easier or more equal, and an easy way of raising taxes will always produce the most money and the fewest murmurs."

Hume.—" The best taxes are such as are levied upon consumptions, especially those of luxury ; because such taxes are least felt by the people. They seem, in some measure, voluntary ; since a man may choose how far he will use the commodity which is taxed."

Bentham.—" To an indirect tax each man pays no more than he pleases. . . .To a direct tax each man pays what the imposer of taxes pleases. * * * * Indirect taxation, as far as it will go, is therefore preferable to direct."

Dingley.—" We have refrained from putting a tax in a direction where it would be purely upon consumption, unless the consumption was of an article of voluntary consumption, so that the consumer might regulate his own tax following what is the accepted rule of taxation in all countries."

Harold Cox.—" Indirect taxation is to a large extent voluntary."

Armitage Smith.—" Such taxes become in a sense optional since any one may refrain from consuming a taxed luxury."

Mill said that Adam Smith's statement was grounded on a fallacy because it involves " a sacrifice of his (the taxpayer's) own indulgences which would equally make up to him for the same amount taken from him by direct taxation."

Boncard and Jeze.—" It would be just as true to say that taxes on land are not compulsory, since it is open to the owner of an estate to cease to be owner."

Bastable.—" A citizen can indeed escape a wine duty by not consuming wine. That course, however, has the double disadvantage of depriving the State of revenue and of diminishing his enjoyments."

ANNEXURE E. (Question 33.)

Income-tax and Super-tax.

Income in sterling.	Percentage of income taken in Taxation.				
	England.		India.	Austria.	France.
	(a)	(b)			(c)
50..	..	..	..	1.1	..
100..	..	..	..	2.2	.5
135..	..	..	2.6	2.2	.9
150..	..	1.2	2.6	3.3	1.0
300..	..	6.8	2.6	4.4	1.8
500..	3.3	12.5	3.12	5.7	4.4
1,000..	10.8	18.8	4.7	10.8	7.5
2,000..	17	22.7	7.8	18.9	12.5
5,000..	28	30.8	11.5	28.4	20.5
10,000..	38	39	14.6	37.8	34.0
50,000..	50	50	32.9	47.1	47.0
100,000..	52	52	39.9	48.2	48.5

(a) Tax for a married man with three children, with income all "earned."
(b) Tax for bachelor with income all "investment."
(c) Tax for a bachelor, reckoned at current rates of exchange.

ANNEXURE F. (Question 40.)

Income-tax Exemption Limits.

United Kingdom.—The personal allowance is £135 for a single person and £225 for a married couple.

France.—For the schedular taxes the exemption limit varies from 1,500 francs for craftsmen, hawkers and fishermen to 6,000 francs for professional earnings, salaries and wages. It also varies according to the locality, the limit being higher in Paris than in the country.

For the supplementary tax the limit is 6,000 francs.

Belgium.—The limit is 1,400 fr., if the income is earned, but persons below the limit pay a fixed tax of 12 francs a year. For the supplementary tax the limit is 2,100 fr.

Holland.—800 Florins=£66.

Denmark.—1,600 Krone (£64) in Copenhagen, 1,400 in other towns and 1,200 in the country.

Austria.—About £42.

Italy.—1,200 lire (£48 at par of exchange) or £12 at present rates.

ANNEXURE G. (Question 53.)

Rates of Salt Taxation abroad.

For the monopoly countries the rates of taxation are not available. The following figures have been obtained by dividing the net profit of the monopoly by the population :—

	Rs.	a.	p.	
Italy	1	11	0	a head per annum.
Czecho-Slovakia	1	14	0	,, ,,
Austria	2	12	0	,, ,,
Hungary	1	4	0	,, ,,
Japan	0	4	0	,, ,,

(Figures based on par of exchange.)

France	10 fr. per 100 kilogrammes=Rs. 2-3-3 a maund.
Greece	25 lepta per ocque=Rs. 5-0-0 a maund.
Switzerland, Germany	Figures not available.

ANNEXURE G (1). (Question 60.)

French Arrangements for Denaturation of Salt.

Agricultural Salt.—Salt required for cattle food, preparation of manure or improvement of the soil is free of tax if it has been denatured by one of the prescribed methods. Salt must be sent to authorized depots. Farmers can only receive direct from the place of production new salt denatured or impure salt undenatured, subject to the condition that the latter will be denatured by a prescribed process. For the denaturing of new salt for agricultural purposes, 26 formulæ are recognized. Of these the following are a selection :—

For new salt—

1	Oilcake	200	kilos to 1,000 kilos of salt.
2.	Red peroxide of iron	5	,, ,,
	Oilcake	100	
3.	Slaked lime	250	,, ,,
4.	Plaster	60	,, ,,
	Fæces or manure	100	

For impures salt—

1.	Fæces, soil or manure	100	kilos to 1,000 kilos of salt.
2.	Moist manure	75	,, ,,
	Earth	125	
3.	Bran (moist) chaff or chopped straw	100	,, ,,

Processes authorised for new salt may be used for impure salt, but not *vice versa.* Salt for use in agriculture must consist of crystals that will not pass through a sieve of No. 5 gauge.

Denaturation must always be conducted under supervision at the cost of the persons interested. It must be done at certain specified places such as salt factories and customs houses, but special depots may be authorised and farmers may receive undenatured impure salt on condition that it is denatured on arrival. In that case it is moved under permit.

There are two kinds of depots—(1) those for the receipt of new salt to be denatured, (2) those for salt already denatured. These are under bond. Salt can only be taken to these depots under permit. The depots can only deliver salt to farmers and the latter must produce the certificate of the municipal authorities as to their occupation, and as to the quantity of salt which they can reasonably require. Provisions exist for watching the transit of the denatured salt to the consignee, and for the taking of samples of the salt denatured at the depot.

Industrial Salt.—Salt for industrial purposes is also allowed duty free, if denatured. Save by special permission only crystals measuring not more than 3 millimetres may be used. The place from which each industry may receive salt is specified. Transport must be under seal and by permit and denaturing must take place in the presence of an officer of the department, at the expense of the manufacturer. Provision also exists for the taking of samples and the inspection of the premises where manufacture and denaturing take place. Deficiencies in stock are liable to duty. Certain industries may receive salt on condition that they denature it on arrival. These are given the choice of several methods of denaturation, *e.g.*, manufacturers of hydrochloric acid can either (1) mix 10 per cent. of sulphuric acid, (2) empty the salt into sulphuric acid vats, or (3) add 30 per cent. of bisulphate of soda.

Other industries must only receive salt already denatured. There are three classes—

(1) those which may use any of the four general formulæ. These are (*a*) addition of 1 per cent. of crude naphthaline, (*b*) addition of 1 per cent. of refined naphthaline, (*c*) addition of .2 per cent. of coal-tar, (*d*) addition of .25 per cent. wood tar. These industries comprise aluminium, cement, ink, paper, zinc, etc.,

(2) those industries which may use only one of the four methods, which is specified for each industry. These comprise artificial ice factories, margarine, fish curing and antimony, etc.,

(3) those industries which have their own formulæ, which are specified for each industry separately,

e.g., tanning—addition of 1.2 per cent. of petroleum.

Chlorate of soda—addition of bichromate of soda solution.

Washing of rags for paper manufacture—addition of 33.3 per cent. of slaked lime.

ANNEXURE H. (Question 65.)

Rates of duty per proof gallon of country spirit in force on 1st April, 1923, in different Provinces.

Provinces.	Rates of duties.
Madras	Rupees 8-7-0 in twenty-one districts. Rupees 10-10-0 in five districts. From Re. 0-15-0 to Rs. 6-4-0 in special localities.
Bombay	Rupees 2-13-0 to Rs. 12-14-0, the average rate being Rs. 8-7-0; the higher rates being in the city and industrial areas.
Bengal	Rupees 2-4-8 to Rs. 20-10-0; the higher rates being in the city and industrial areas.
United Provinces	Rupees 5-3-0 in the major portion of the province, a special rate of Rs. 12-2-0 in Dehra Dun and Lucknow and a few other places, and lower rates of Rs. 2, 3 and 4 in a few tracts.
Burma	Rupees 1-4-0 to Rs. 13-12-0.
Assam	Rupees 5-0-0.
North-West Frontier	Not manufactured in the province.
Central Provinces	Rupees 0-7-6 to Rs. 12-5-0.

ANNEXURE I. (Question 71.)

Comparative table of the rates of duty in the different provinces of India in 1922-23 for Ganja, Charas and Bhang.

Province.	Rates of duty per seer.		
	Ganja.	Charas.	Bhang.
	1	2	3
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Madras	20 0 0	Not consumed	3 0 0
Bombay Presidency proper	22 8 0	50 0 0	3 0 0
Sind	20 0 0	50 0 0	2 8 0
Bengal	20 0 0	30 0 0	1 0 0
Bihar and Orissa	30 0 0	30 0 0	3 0 0
United Provinces	35 0 0	35 0 0	Acreage duty per acre. 10 0 0 Transport duty per maund. 20 0 0
Punjab	Not consumed	40 0 0	Acreage duty per acre. 4 0 0 Import and transport duty per maund. 6 0 0
Central Provinces and Berar	25 0 0	60 0 0	5 0 0
Assam	20 0 0	....	0 8 0
North-West Frontier Province ..	..	24 0 0	0 2 5

ANNEXURE J. (Question 74.)

—	Burma.	Assam.	Bengal and Bihar and Orissa.		United Provinces.	Punjab.	Bombay.	Central Provinces.	Madras.
I.—1902-03.									
Number of liquor shops	1,980	293	32,022		10,519	1,451	4,061	7,246	29,105
Area per shop (in square miles) ..	118	180.9	5		10.1	68.8	30.4	13.8	4.9
Population per shop	5,298.3	19,940.2	2,354.1		4,497.9	13,743.8	4,573.8	1,652.1	1,811.4
II.—1922-23.		(1920-21.)	Bengal. (1920-21.)	B. & O.				(1920-21.)	
Number of liquor shops	1,020	336	3,638	8,197	4,987	540	2,821	4,074	16,643
Area per shop (in square miles) ..	229.1	157.8	21.1	10.1	21.3	184.9	43.8	24.5	8.5
Population per shop	12,953.1	22,637.6	12,832.0	4,148.1	9,098.8	38,305.6	6,858.6	3,415.0	2,542.7

ANNEXURE K. (Question 87.)

Statement showing the transactions, etc., in connection with which taxes, fees or licenses are levied in countries other than India.

Advertisements	Belgium, France, Germany, Italy.
Armorial bearings	United Kingdom.
Auction Sales	France, Transvaal.
Banking Transactions	America, England, Japan, Switzerland.
Betting	Australia, Belgium, Canada, France, Germany, Italy, New Zealand, South Africa, Sweden.
Bicycles	Belgium, France, Greece, Italy, Switzerland.
Club Subscriptions	United States of America.
Entertainments*	Australia, Austria, Belgium, Canada, Egypt, France, Germany, Italy, Japan, New Zealand, South Africa, United States of America, England.
General taxes on turnover, receipts, or sales, or on commercial or industrial transactions.	American States (some), Austria, Belgium, Canada, Czecho-Slovakia, France, Germany, Hungary, Italy, Japan, Jugo-Slavia, Mexico, Philippines, Poland, Portugal, Roumania, Spain, Tanganyika.
Insurance	Argentine, Canada.
Motor cars†	Belgium, Denmark, France, Japan, Norway, Spain, Sweden Switzerland, United States, England.
Luxuries	Czecho-Slovakia, France, Germany, Italy.
Railway Travelling	America, England, Japan, Switzerland and Austria.
Safe Deposits	Spain.
Telegrams	United States.
Telephones.	United States.
Tourists	France and Italy.
Transport	Germany and United States.

* A tax of this kind is levied in Bengal and Bombay.

† A tax of this kind is levied in the United Provinces and a Bill imposing one has just been passed in the Punjab.

ANNEXURE L. (Question 123.)

Statement of areas under Tobacco.

Province.	Total area under tobacco.	Districts growing under 2,000 acres.	Districts growing 2,000—5,000 acres.	Districts over 5,000. District.	Districts over 5,000. Area.
United Provinces, 1921-22 ..	88,882	Dehra Dun.	Meerut.	Bulandshahr ..	5,233
		Saharanpur.	Agra.	Aligarh ..	7,081
		Muzaffarnagar.	Mainpuri.	Etah ..	6,263
		Muttra.	Bareilly.	Farrukhabad ..	11,654
		Bijnore.	Budaun.		
		Shahjahanpur.	Moradabad.		
		Pilibhit.	Sitapur.		
		Etawah.	Kheri.		
		Cawnpore.			
		Fatehpur.			
		Allahabad.			
		Banda.			
		Hamirpur.			
		Jhansi.			
		Jalaun.			
		Benares.			
		Mirzapur.			
		Jaunpur.			
		Ghazipur.			
		Ballia.			
		Gorakhpur.			
		Basti.			
		Azamgarh.			
		Naini Tal.			
		Lucknow.			
		Unao.			
		Rai Bareli.			
		Hardoi.			
		Fyzabad.			
		Gonda.			
		Bahraich.			
		Sultanpur.			
		Partabgarh.			
		Bara Banki.			
Bihar and Orissa, 1923-24 ..	117,000	Patna.	Bhagalpur.	Muzaffarpur ..	27,300
		Gaya.		Darbhanga ..	25,200
		Shahabad.		Monghyr ..	6,300
		Saran.		Purnea ..	40,000
		Champaran.		Cuttack ..	6,800
		Santal Parganas.			
		Balasore.			
		Angul.			
		Puri.			
		Sambalpur.			
		Hazaribagh.			
		Ranchi.			
		Manbhum.			
		Singhbhum.			
Bombay, 1921-22	120,120	Panch Mahals.	Ahmedabad.	Kaira	43,960
		Surat.	Broach.	Satara ..	9,163
		West Khandesh.	Hyderabad.	Belgaum ..	37,554
		East Khandesh.	Nawabshah.		
		Nasik.	Sukkur.		
		Ahmednagar.			
		Poona.			
		Sholapur.			
		Bijapur.			
		Dharwar.			
		Karachi.			
		Thar Parkar.			
		Larkana.			
		Upper Sind Frontier.			
Punjab, 1921-22	90,013	Hissar.	Gurgaon.	Jullundur ..	6,548
		Rohtak.	Karnal.	Lahore ..	5,443
		Ambala.	Hoshiarpur.	Sialkot ..	5,750
		Simla.	Ludhiana.	Gujrat ..	6,517
		Kangra.	Ferozepur.		
		Gurdaspur.	Amritsar.		
		Jhelum.	Gujranwala.		
		Rawalpindi.	Shekhupura.		
		Mianwali.	Shahpur.		
		Muzaffargarh.	Attock.		
			Montgomery.		
			Lyallpur.		
			Jhang.		
			Multan.		
			Dera Ghazi Khan.		

Statement of areas under Tobacco—contd.

Province.	Total area under tobacco.	Districts growing under 2,000 acres.	Districts growing 2,000—5,000 acres.	Districts over 5,000.	
				District.	Area.
Assam, 1921-22	10,768	Cachar. Sylhet. Lushai Hills. Darrang. Nowgong. Sibsagar. Lakhimpur. Garo Hills.	Goalpara. Kamrup.	*Nil.*	
Central Provinces, 1922-23 ..	23,964	Balaghat. Saugor. Drug. Damoh. Raipur. Jubbulpore. Mandla. Akola. Seoni. Narsingpur. Hoshanghabad. Yeotmal. Nimar. Betul. Chindwara. Wardha. Nagpur. Chanda: Bhandara.	Bilaspur. Amraoti. Buldana.	*Nil.*	
Bengal, 1921-22	298,100	24-Parganas. Murshidabad. Burdwan. Bankura. Midnapur. Howrah. Darjeeling. Bogra. Bakarganj	Nadia. Khulna. Hooghly. Rajshahi. Chittagong. Tipperah. Chittagong Hill Tracts.	Jessore .. Dinajpur .. Jalpaiguri .. Rangpur .. Pabna .. Malda .. Dacca .. Mymensingh .. Faridpur ..	9,600 10,700 22,100 176,000 5,400 6,000 11,700 23,600 5,800
Burma, 1921-22	81,374	Akyab. Hill District of Arakan. Insein. Prome Myaungmya. Amherst. Tavoy. Mergui. Katha. Lower Chindwin. Upper Chindwin. Kyaukse. Meiktila. Yamethin. Myitkyina. Bhamo. Shwebo.	Kyaukpyu. Sandoway. Tharrawaddy. Bassein. Ma-ubin. Sagaing. Mandalay. Myingyan. Magwe. Minbu. Thaton.	Pegu .. Thayetmyo .. Henzada .. Pakokku .. Toungoo ..	5,421 9,075 7,291 7,505 7,196

ANNEXURE M. (Question 132.)

Tobacco—Rates of Customs Duties in India.

Cigars	75 per cent. *ad valorem.*
Cigarettes	75 per cent. *ad valorem.*
Manufactured tobacco	Rs. 2-4-0 per lb.
Unmanufactured tobacco	Re. 1 per lb.

ANNEXURE N. (Question 134.)

Schedule showing the Import Duties on Tobacco.

Year.	Tobacco unmanufactured.	Cigars.	Cigarettes.	All other sorts of tobacco manufactured.
Before 1910	Free	5 per cent. ..	5 per cent. ..	5 per cent.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
In 1910..	1 8 per lb. .	2 8 per lb. .	5 0 per 1,000, if less than 3 lbs. per 1,000. 2 0 per lb., if more than 3 lbs. per 1,000.	1 10 per lb.
In 1911..	1 0 per lb. .	1 10 per lb. .	3 2 per 1,000, if less than 3 lbs. per 1,000. 1 4 per lb., if more than 3 lbs. per 1,000.	1 2 per lb.
In 1916..	1 0 per lb. ..	50 per cent. ..	50 per cent. ..	1 8 per lb.
,, 1921..	1 0 per lb. ..	75 per cent. ..	75 per cent. ..	2 4 per lb.

ANNEXURE O. (Question 134.)

Statement showing the Quantity and Value of Tobacco Imported into and Exported from India from 1909-10 *to* 1922-23.

(In millions of lbs. and lakhs of Rupees)

Year.	Tobacco unmanufactured.		Cigars.		Cigarettes.		Other Tobacco manufactured.	
	Quantity.	Value.	Quantity	Value.	Quantity	Value.	Quantity	Value.
			Imports.					
1909–10	2.70	11.7	.11	3.9	3.08	65	1.44	14.3
1910–11	.25	2.4	.06	2.7	1.11	36.4	.38	7.6
1911–12	.16	1.8	.08	3.4	1.41	51	.56	10.6
1912–13	.29	2.4	.07	3.2	1.45	52.8	.54	10.9
1913–14	.28	2.8	.08	3.4	1.59	58.5	.51	10.6
1914–15	.16	1.7	.06	2.6	1.44	56.3	.55	11.6
1915–16	.14	1.8	.06	2.7	1.69	63	.55	12.6
1916–17	.21	2	.05	2.2	2.40	103.1	.71	17.8
1917–18	.62	5.3	.04	2.4	3.49	143.4	.65	18.9
1918–19	.50	7	.04	2.1	4.09	183.2	.73	22.3
1919–20	.88	11.1	.08	3.6	4.22	168.6	.67	18.5
1920–21	.71	9.2	.07	4.5	6.21	256.3	.62	25.9
1921–22	1.05	16.9	.02	2	2.74	131.3	.25	14.8
1922–23	1.23	16.9	.02	2	4.09	185.3	.34	21.5

Year.	Tobacco unmanufactured.		Cigars.		Cigarettes.		Other Tobacco manufactured.	
	Quantity.	Value.	Quantity	Value.	Quantity	Value.	Quantity	Value.
			Exports.					
1909–10	10.64	13.3	1.30	11.8	..	..	.29	.4
1910–11	17.61	20.2	1.33	11.3	..	..	.36	.5
1911–12	26.48	27.6	1.48	12.4	.06	.1	.46	.6
1912–13	19.58	23.5	1.74	14.2	.01	.1	.35	.5
1913–14	27.82	31.8	1.83	15.4	.02	.2	.36	.6
1914–15	16.49	21.7	1.73	13.9	.04	.4	.42	.8
1915–16	24.25	30.2	1.56	12.5	.06	.5	.48	.8
1916–17	27.24	37	1.13	10.1	.31	3.8	.42	1.1
1917–18	20.24	35.6	1	10.1	.30	4.2	.31	1.1
1918–19	31.51	82.4	.87	9.5	.17	2.4	.44	2.1
1919–20	28.95	73.9	.73	9.8	.28	5.6	.92	3.3
1920–21	23.31	63.5	.56	7	.1	1.1	.72	3.3
1921–22	23.90	61.5	.44	5.5	.02	.3	.86	4
1922–23	21.61	72.5	.32	4.2	.05	.5	1.09	5.4

ANNEXURE P. (Question 140.)

Rates of Death Duties in force in other Countries.

United Kingdom.

Estate Duty.

Exemption £100

Rates—

£					
100—500	.. ..	1	per cent of	the value of the estate.
500—1,000	.. ..	2	,,	,,
1,000—5,000	.. ..	3	,,	,,
5,000—10,000	.. ..	4	,,	,,
10,000—15,000	.. ..	5	,,	,,
50,000—60,000	.. ..	11	,,	,,
100,000—110,000	.. ..	14	,,	,,
225,000—250,000	.. ..	20	,,	,,
2,000,000—2,500,000	.. ..	40	,,	,,

Legacy Duty and Succession Duty.

Husband, wife, child, or lineal descendant of child, father or mother or any lineal ancestor .. .. 1 per cent.
Brother or sister, lineal descendant of brother or sister .. .. .. 5 ,,
Any other person .. .. 10 ,,

France.

Estate Duty.

Charged on capital value of whole estate, where deceased has left less than 4 children.

				Per cent. 3 children.	2 children.	1 child.	No child.
On the portion exceeding	0 fr.	and not exceeding	2,000	.25	.50	1	3
	2,000	,, ,,	10,000	.50	1	2	6
	10,000	,, ,,	50,000	.75	1.50	3	9
	50,000	,, ,,	100,000	1	2	4	12
	100,000	,, ,,	250,000	1.25	2.50	5	15
	250,000	,, ,,	500,000	1.50	3.50	6.50	18
	500,000	,, ,,	1,000,000	2.25	4.25	8	21
	10,000,000	,, ,,	50,000,000	4.40	9	18	36

Legacy Duty.

Charged on the legacy received, according to ten scales of relationship.

On portions of legacy.	1st degree.	5th degree.	10th degree
0—2,000	1	3	25
2,000—10,000	2	4	27
10,000—50,000	3	5	29
500,000—1,000,000	7	9	40
10,000,000—50,000,000	15	17	55

HOLLAND.

Charged on the separate legacies according to the following scale :—

Florins.	Children or spouse.	Lineal descendants in second degree.	Blood relations in direct ascending line.	Brothers or sisters.	Children of brothers or sisters.	Others
0—1,000	3.50	5.25	14.50	18	27	38
1,001—2,000	4	6	15	19	28	39
2,001—5,000	4.50	6.75	15.50	20	29	40
5,001—10,000	5	7.50	16	21	30	41
over 500,001	8	12	19	27	36	47

There are reductions when the heir has four or more children living.

BELGIUM.

Exempt.

Successions in the direct line or to a surviving spouse not exceeding 2,000 francs.

All other successions not exceeding 2,000 francs.

Francs.	Direct line.	Brothers, married persons without children.	Uncles Nephews.	Great uncles and great nephews.	Others.
1 franc—5,000	1.40	5.00	6.00	7.00	10
5,001—10,000	1.60	6	7.20	8.40	12
10,000—20,000	1.80	7	8.40	9.80	4
20,000—50,000	2	8	9.60	11.20	6
1 million—2 million	3	13	15.66	18.20	26
13 millions or over	5.40	25	30	35	50

The duty is reduced by 2 per cent. for every child of the heir living at the time of succession.

JAPAN.

Succession Tax.

Yen.	1st grade.	2nd grade.	3rd grade.
2,000—5,000	5°/oo	6°/oo	8°/oo
Over 5,000	6°/oo	7°/oo	16°/oo
„ 100,000	20°/oo	25°/oo	35°/oo
„ 150,000	25°/oo	30°/oo	40°/oo

Inheritance Tax.

Over 1,000	12°/oo	13°/oo	20°/oo
20,000	20°/oo	25°/oo	35°/oo
50,000	35°/oo	40°/oo	50°/oo

ANNEXURE Q. (Question 147.)

DIVISION BETWEEN IMPERIAL, PROVINCIAL AND LOCAL.

Introductory.

1. India is at present a unitary state, but if the ideal to which its political development is tending is that of a federal state, the problem of the distribution of its revenues must be examined from this standpoint. It is proposed in the first instance to survey the system of distribution in modern federal governments with a view to ascertaining whether any general principles can be traced, which guide the distribution of tax revenues between the provincial and the federal governments.

2. As a preliminary it is necessary to indicate, first, the difference between the problem as presented in India and in other parts of the world; and secondly, the difficulty of drawing general conclusions apart from a consideration of the special circumstances of each federal state. Under the first head, the obvious fact which presents itself is that, whereas the other federal states have been formed by the union of separate political entities, in India, the process is the reverse, the development of a federal out of a unitary state. It is true that here qualifications must be made. The component states of the United States of America and of the three British federations had, previously to federation, been connected by common subjection to the British Parliament. The provinces of India had to some extent belonged to different political organizations prior to the British rule. But in the main it is true to say that in the other federations the component states surrendered certain of their sovereign powers in favour of the federal state, while in India the process is the surrender of sovereign powers by the central administration in favour of the component states. The reason for this difference is that, whereas in the other federations, the component states, in order to strengthen their position in the world or to secure certain other advantages, decided to federate, in India the process has been more artificial. The surrender of powers in favour of the provinces is an essential part in the process for which the constitutional reforms provide.

3. In the second place, any attempt to generalize from the facts of existing federations is unsafe without a realization of the fact that the relations between the federal and the provincial governments are affected to a large extent by the history of the component states prior to federation, by the motives which have led to federation and by the homogeneity or otherwise of the population. Where, as in Switzerland, the component parts have, before federation, developed strong characteristics of their own, they will tend to be jealous of surrendering more than is absolutely necessary to the federal government. Again, as in Germany, where one of the component states greatly exceeds the others in power, it may tend to absorb them into something approaching a unitary state, especially when external dangers emphasize the necessity for closer union. Where, again, there is little difference in race and character between the component states, as in Australia, there may, especially when communications improve, be a development into a true unitary state, the provincial governments relapsing into the position of local authorities. It is obvious that the form of federation into which India might develop would be profoundly affected by the extent to which the country was threatened by external dangers and also by the degree of industrial and commercial development which it might attain. A federation of stationary agricultural states might be content with a system which in a highly industrialized community would be unworkable.

AUSTRALIA.

Federal Arrangements.

4. Of the three British federations the Commonwealth of Australia exhibits the largest degree of provincial autonomy. When the Commonwealth of Australia Bill was introduced it was stated in Parliament that the rights of the states had been jealously guarded because they had enjoyed an independent existence for a long time prior to federation. In the field of taxation especially, there is a good deal of concurrent jurisdiction.

The consolidated revenue of the Commonwealth in 1921-22 amounted to nearly £65 millions, while the consolidated revenue of all the states amounted to £85 millions, of which £7 millions was Commonwealth subsidy. The states' consolidated revenue may be analysed as follows:—

	Per cent.
Taxation	20.96
Receipts from Public Works and services, chiefly railways	57.80
Land, *i.e.*, sale and lease of public land	5.64
Subsidy	8.26
Miscellaneous	7.34

The expenditure of the states was as follows :—

	Per cent.
Public debt	23.74
Railways (working expenses)	37.85
Justice	1.24
Police	2.94
Prisons	.34
Education	9.61
Medical	5.32
Other expenditure	18.96

It should be noted that 52.30 per cent. of the loan expenditure relates to railways.

The revenue of the Commonwealth was as follows :—

		Per cent.
Taxation	£49.6 million	76
Public works and services	9.5 ,,	14
Other revenue	5.6 ,,	10

The expenditure was—

Public debt	£14 millions.
Post office	8 ,,
Defence	4½ ,,
Works	2½ ,,

The relative importance of the states' finances is exaggerated by the fact that the states manage almost the whole of the railways. If the railway finance (working expenses, half of the public debt charges, and railway revenue) is deducted, the provincial revenue and expenditure are in the neighbourhood of £42 millions, and if the subsidies are deducted, the revenue is just over half of the Commonwealth revenue.

In the sphere of taxation the importance of the Commonwealth is far greater than that of states. In 1922-23 the former raised in taxation the sum of £49½ millions, as against £18¼ millions raised by the states.

The sources of Commonwealth taxation are :—

	£ 1,000
Customs	17,328
Excise	10,302
Land tax	2,284
Estate duty	991
Income-tax	16,790
Entertainments tax	675
War profits tax	1,306

While those of State taxes are—

Probate and succession	2,244
Other stamp duties	3,241
Land tax	1,156
Income-tax	9,543
Licences	732
Other taxes	930

It will be noticed (1) that all the direct taxes are levied both by the Commonwealth and the states, the total collected by the former being rather larger than the total collected by the latter, (2) that, with the possible exception of stamp duties, all indirect taxation is taken by the Commonwealth.

The rates of succession duties and income-tax differ widely in the different states. It seems that the financial system, as between the Commonwealth and the states, has not worked satisfactorily. In 1923 a conference was held between the Commonwealth and State Ministers with the object of terminating the subsidy system and of simplifying the taxation systems. The first proposal was to divide the field of income-tax, the Commonwealth vacating the field of taxation of incomes below £2,000, and discontinuing the payment of subsidies. This was not accepted by the states, who wished to appropriate the whole of the income-tax. Ultimately the majority of the states accepted a modified scheme, under which the Commonwealth retained only the right to tax companies up to a maximum limit of 2*s.* 6*d.* in the pound. Pending the introduction of the scheme, it was arranged that the State Taxation Officers should collect both the state and federal income-taxes except, where the income is derived from more than one state.

CANADA.

5. In Canada the constitution defines the spheres of the provincial governments and leaves all other powers to the federal government. Under section 92 of the constitution the following among other subjects are assigned to the provinces:—

(1) direct taxation within the province for provincial purposes;
(2) public lands belonging to the province;
(3) prisons and hospitals;
(4) municipal institutions;
(5) licences for the purpose of revenue.
(6) local works;
(7) administration of justice (but not criminal procedure).

The central government may raise money by any mode of taxation, and may tax the same subjects as the provinces, though it does not appear to have done so. The regulation of trade and commerce is an exclusively federal matter.

At the time of federation, the central government took the customs and excise duties, while the provincial lands and mines were assigned to the provinces in which they were situated. The provincial debts were assumed by the central government. A yearly subsidy was provided by Canada, being 80,000 dollars in the case of Ontario, 70,000 for Quebec, etc. In addition a subsidy equal to 80 cents per head of the population up to a number of 400,000 was made. By the Act of 1907 the subsidies were revised and the limit of 400,000 was raised to 2,500,000, the grant per head for population above this figure being fixed at 60 cents. Up to the war the federal government depended mainly on indirect taxation while the provinces imposed corporation and estate taxes and succession duties. During the war the federal government resorted to direct taxation. In 1916 a Business Profits War tax was imposed, in 1917 an Income-tax, and in 1920 a Sales tax. By 1923 these new taxes exceeded the customs and excise duties in their produce.

In 1921 the relative financial position of the provinces and the federal government was as follows:—

(1) All provinces—

Chief items of Revenue.	(In millions of dollars.)
Subsidies	13.9
Lands, mines and forests	14.8
Fees	5.8
Succession duties	8.5
Corporation taxes	18.3
Licences	14.2

Total revenue 102, of which 46 per cent. was taxation.

Chief items of Expenditure.

Debt charges	20.7
Education	20.4
Public works	16.3
Civil Government and Legislation	10.5
Justice	7.9
Hospitals	8.8
Agriculture	3.3
Total expenditure	102

(2) Federal Government—

Chief items of Revenue.

	(In millions of dollars.)
Customs	163.2
Excise	37.1
War taxes (*i.e.*, income and sales taxes)	168.4
Post office	26.7
Total revenue	434.4

Chief items of Expenditure.

Defence	14.5
Civil Government	11.1
Interest and debt	139.5
Justice	2
Police	3.9
Pensions	37.4
Post office	22.7
Public works	10.8
Railways	11.8
Subsidies	11.5
Agriculture	5.4
Total expenditure	361.1

SOUTH AFRICA.

6. In the latest of the British federations, the Union of South Africa, the functions of the provinces are more circumscribed. These organizations have no Parliaments, but only Provincial Councils, and they pass ordinances, not laws. Under the British South Africa Act, 1909, the Provincial Councils have the following main legislative powers:—

Direct taxation for provincial purposes.
Education, other than higher education.
Agriculture.
Hospitals.
Municipal institutions.
Local works, other than railways and harbours.
Markets and pounds.
Game preservation.

Up to the year 1913 the provinces had no revenues of their own, and their expenditure was met by subsidies from the Union Government. By the Financial Relations Act 10 of 1913 the following sources of revenue were transferred, with powers of legislation:—

Hospital fees, and education fees; totalizator duties, auction dues; dog, game and profession licences; liquor licences.

Subsequent Financial Relations Acts have transferred, among other matters, the following :—

Libraries and museum ; poor relief ; shop hours ; licensing of vehicles on provincial roads, betting, racing and amusements.

The total revenue of all the provinces in 1921-22 excluding subsidies was £3,738,150 ; while the subsidies amounted to £4,681,998. The expenditure of the provinces may be classified sa follows :—

General administration	5 per cent.
Education	75 ,,
Hospitals and poor relief	10 ,,
Roads and bridges	10 ,,

The revenue of the Union in the same year was £28,884,270. This excludes the railway revenue, which forms a separate fund. The main heads of Union expenditure were in :—

	Thousands of pounds.
General government	3,408
Law, order and defence	6,185
Lands and agriculture	1,676
Posts and telegraphs	3,302
Public debt	7,786
Public health	860
Public works	819

The taxation revenue of the provinces is derived from a number of simple direct taxes. Those common to all provinces are—

Transfer duty—a tax on sales of real property,
Liquor licences,
Licences, general,
Entertainment tax.

Those found in one or other of the provinces are—

Native pass fees,
Totalizator tax,
Auction dues,
Poll tax,
Wheel-tax,
Companies tax.

All the main taxes are levied by the Union, such as customs, excise, income-tax, estate and succession taxes, stamp duties, licences and native taxes, and land revenue.

The subsidy system in South Africa appears to have led to inefficiency in the administration. The first settlement, that of 1913, proceeded on the basis of allotting certain revenues to the provinces and of making a grant equal to one-half of the normal annual expenditure. A Committee which was appointed in 1922 reported that the payment of subsidies on this basis was unsound and in particular had led to an unnecessary increase of expenditure on education. The taxes in the shape of auction dues, poll tax, trade and occupation licences, company tax and employers' tax were not suitable to provinces. Provinces should be given complete control of transfer duties, liquor licences, motor taxes, wheel taxes, totalizator and betting taxes and immoveable property tax. The Union subsidy should take the form of a grant-in-aid for education, fixed according to the number of pupils. The Committee recommended that trade and occupation licences should be uniform throughout the Union.

It seems that a South African province has a very limited scope and is little more than a local authority on a large scale. Its powers bear a strong resemblance to those of a District Board in India.

SWITZERLAND.

7. In the Swiss constitution, the determining factor is the fact that the cantons were organized political bodies long before they joined in a federation. Similarly, in some cases at least, the communes, which make up the cantons, have an independent existence and are not merely local organs of the cantons. Thus in some communes where the public property is considerable, persons have to obtain permission and sometimes to pay a sum of money before they can become members of the commune.

This factor has resulted in the comparative weakness of the federation *vis-a-vis* the cantons and considerable jealousy of any encroachment on the cantonal sphere of taxation.

Before the war, 94 per cent. of the federal revenue was derived from (*a*) state property, (*b*) customs duties, (*c*) half of the tax payable by persons exempt from military service. The cantons took all direct taxes, and a number of indirect taxes also. The following table indicates the main sources of cantonal revenue in 1913 in millions of francs.

Direct taxes.	Indirect, including succession duties.	Share of federal taxes.	Subsidies (ordinary).
63	29	12	24

When the war broke out, the Federal Government was faced with heavy expenditure over mobilization. To meet this, it imposed a temporary war tax on property and income, to be levied by the cantons, which retained a share of the proceeds and paid the balance into the Federal Treasury. The arguments used in support of this measure are interesting from the point of view of the theory of federal taxation. Section 42 of the Swiss constitution provides that in times of emergency, the cantons should contribute to the expenses of the Federation according to a prescribed scale. In introducing the measure the President of the Council of Ministers explained that to levy such a contribution would be entirely contrary to the custom of the constitution, which had tended in the direction of federal contributions to the cantons. Moreover, an attempt to levy a high contribution would dislocate cantonal finances. Consequently it was thought desirable to amend the constitution and impose a federal direct war tax.

This measure was followed by a federal war profits tax, a second levy of war tax, and finally by an increase in stamp and customs duties.

The cantons appear to have retained about 20 per cent. of the war tax.

During the war the socialists attempted to enact a permanent federal income-tax. This was defeated, apparently because the cantons regarded it as an encroachment on their sphere of taxation. Later on, proposals were made for internal excise duties, but these too were not accepted.

By 1922 the sources of cantonal revenue in millions of francs were as follows :—

Direct taxes.	Indirect.	Share of federal taxes.	Subsidies (ordinary).	Extraordinary subsidies.
174	48	41	59	97

The subsidies are all for specific objects, such as roads, forestry, agriculture, public health, education, etc. The extraordinary subsidies were chiefly for measures of unemployment relief and reduction in the cost of living. There appear to be no general subsidies in the Swiss system. It may be surmised from this fact and from the system of collection and administration of the war taxes that, outside the military and customs organizations, the Federation has no machinery for taxation and general administration and is therefore obliged to use the cantonal organization. The subsidy system seems to be merely the means by which a portion of the lump sum derived from customs is apportioned and devoted to specific branches of the administration.

For purposes of comparison the federal revenue (1922) in millions of francs is here quoted :—

Direct taxes.	Indirect taxes.	Other receipts.
109.1	188.1	214.3

8. It is now possible to make a comparison between the relative position of states in these federations and of provinces in India. They are compared from the point of view of the scales of their revenue and expenditure and also of their importance as taxing authorities. The following are excluded :—(1) railways and other commmercial services and (2) expenditure on defence. It will be seen that the powers of taxation enjoyed by Indian provinces far exceed the powers enjoyed by states and provinces in the Dominions.

COMPARISON OF FEDERAL AND STATE GOVERNMENTS IN 1921-22.

Revenue and Expenditure are stated in millions of pounds converted at par of exchange.

—	Australia.		Canada.		South Africa.		Switzerland.		India.	
	Commonwealth.	States.	Dominion.	Provinces.	Union.	Provinces.	Federal.	Cantons.	Imperial.	Provincial.
1. Expenditure	51.6	42	64.2	21.1	20.8	8.4	12.6	21.9	26	55.8*
2. Revenue	55.3	42	83.7	21.1	25.9	8.4	13.6	20.3	60.9*	58.7
3. Percentage of total taxation levied	73.0	27.0	90.0	10.0	80.0	20.0	54.0	46.0	52.0	48.0

* Excluding contributions.

NOTE.—Revenue from commercial undertakings and expenditure on commercial undertakings and defence have been excluded.

9. *Principles to be deduced from existing Federal Systems.*—It may be said that, leaving aside the motive of defence, no motive has exercised more influence on bringing about federation than the desire to free trade and business from artificial restraints over as large an area as possible. The necessity for uniformity in all matters affecting trade and the abolition of internal restraints on trade runs through the constitution of the United States of America and entails consequences in the matter of restriction of state freedom which would be considered extraordinary in India. In Australia the question of a uniform customs tariff for all the colonies was mooted in the middle of the 19th century. The difficulties which different rates of duties in the states imposed on commerce was the main consideration which forced the question of federation to the front, and the matter is prominent among the financial clauses of the constitution. Thus, Section 86—" on the establishment of the Commonwealth the collection and control of duties of customs and excise and the control of the payment of bounties shall pass to the Executive Government of the Commonwealth." Section 88—" Uniform duties of customs shall be imposed within two years after the establishment of the Commonwealth." Section 90—" On the imposition of uniform duties of customs the power of the Parliament to impose duties of customs and of excise and to grant

bounties on the production or export of goods shall become exclusive." The same emphasis is laid on this matter in Canada and South Africa, as well as in Switzerland and Germany. It may, therefore, be laid down that a cardinal feature of all federal constitutions is that only the federal government may deal with the main items of taxation which affect general trade and industry and that in no federation may the component States levy duties either of customs or excise. It may be noticed that in South Africa, while professional and trade licences are an important source of provincial revenue, those affecting trade in its wider aspects are reserved for the Union. The general principle appears to be that (in indirect taxation), the provinces may impose such indirect taxes only as do not affect general trade and commerce.

In the field of direct taxation the position is not so clear. Before the war most of the federal governments did not resort in any large degree to direct taxation since their revenues from indirect taxation were sufficient for their needs. But the most prominent feature of federal finance during the last decade has been the manner in which all federal governments have been driven into taking the principal part in the taxation of incomes, either on account of urgent need for fresh resources or by reason of the difficulty of administering a personal income-tax over any area smaller than that of a whole country. Switzerland, Canada, South Africa, Australia and the United States of America were all compelled to introduce federal income-taxes during the war. In the United States of America indeed the ground had been prepared before the war during the long movement which led up to the passing of the Sixteenth Amendment. Here it was the defects of the existing system of taxation and the impossibility of taxing fairly the big business interests otherwise than by a federal income-tax which forced on the passing of the amendment. But though it may be said that an attempt to levy income-taxes by the different states of a federation must lead to double taxation or to evasion on the part of individuals and companies operating in more than one state, as well as to wasteful complication in the machinery, in practice both federal and state income-taxes are found in the United States of America and Australia, while in Canada the provinces are allowed to tax corporations. In Australia, as has been seen, the simultaneous operation both of the State and the Commonwealth in the field of income-tax has led to difficulties.

Another feature which is apparent in these federations is the common prevalence of the subsidy system and the fact that wherever it is found it is sought to dispense with it. In the United States of America this feature is not found, partly because of the fact that the country is wealthier than the other federations, and partly, no doubt, because the mainstay of state finance is an apportioned tax which, though uneven in its working, brings in sufficient revenue. In Australia attempts have been made to get rid of the subsidy system by dividing the field of income taxation. In South Africa the progress of development has been from a pure subsidy system to a system in which the province has it own sources of taxation supplemented by grants made for specific purposes. In Switzerland grants for specific purposes to the cantons have for long been the rule, but as soon as the war broke out, the device of contributions from the cantons which the constitution provides was immediately rejected in favour of a direct federal tax.

10. If an attempt is to be made to lay down the lines upon which an ideal distribution of resources between a federal government and the component states should proceed, it would seem necessary to have regard to the following main considerations :—

(*a*) all duties which affect the price at which goods can be produced or sold must be uniform for the whole country and therefore the main consumption taxes must be federal. In other words, the states cannot be allowed to interfere with the economic unity of the country ;

(*b*) for this reason indirect taxes and taxes on the more important commercial transactions should be federal ;

(*c*) elasticity of revenues should be secured for both federal and state governments, and the degree of elasticity which each should have must depend on their respective functions. Generally speaking, it is the federal government, as the one in contact with the outer world and the controller of those functions in which

the effect of a world crisis is most apparent, which is most in need of elasticity, and it is the universal experience of federations that it must have at least a share in the most elastic of all sources of taxation—that of income;

(*d*) the widespread of modern commercial undertakings and the wide distribution of the sources of individual incomes render it impossible to work an income-tax system fairly and efficiently on anything less than a national scale;

(*e*) unless taxation is so light that considerable changes can be made in its pitch, a pure system of complete separation of taxation can only avoid recourse to subsidies or contributions by the lucky accident that one of the possible systems of separation happens to give both parties sufficient for its needs. Even so, there is no guarantee that changes in circumstances will affect both parties to the same extent and so preserve equilibrium. Consequently, systems which aim at complete separation inevitably require either subsidies or contributions. They, therefore, tend to defeat their own objects, since it is not conducive to responsible administration either to spend money which the spending state has not had to raise, or to raise money which the taxing state is not allowed to spend.

11. *Allocation of Provincial and Local Taxation.*—The questions involved in the allocation of resources between states and local authorities are simpler. The essential difference is that, whereas there is a division of sovereign powers between the federal and provincial governments, there is no such division between the province and the local authority. It follows that, as the responsibility for the actions of the local authority rests with the provincial government, the latter must always retain a large measure of control. In a federal state the control of the federation over the state is directed to ensuring that, in the exercise of its own powers, the state does not trench on the sphere of the central government. But in dealing with a local authority the responsibility of the provincial government is to see that the local authority manages its affairs in accordance with standards for which the provincial government itself is responsible. Consequently, the provincial government is obliged to prescribe the standard of administration, it suggests new activities and insists on adherence to certain standards in the old activities. This almost necessarily involves the permanence of some kind of grant-in-aid in local administration.

To look at the matter from another point of view, the local authority cannot command, either for its deliberations or for its administration, the best type of mind. Particularly in the sphere of finance, it can seldom command the services of experts. Consequently, in all civilized countries a large measure of detailed control is exercised over the proceedings of local bodies, and the most appropriate method of control is found to be the use of the grant-in-aid.

Owing to those considerations it is doubtful whether it is wise, in distributing resources between provinces and local authorities, to aim at providing the latter with sufficient resources to meet all possible needs. On the other hand, the benefit principle enters so largely into local expenditure that considerable freedom should be left for optional taxation.

The character of local taxation is governed by two main considerations.—

(*a*) the comparative mediocrity of the agencies at the disposal of local authorities for assessment and collection of taxes makes it necessary to rely almost entirely on the taxation of tangible property;

(*b*) the increased danger of double taxation where there is a large number of taxing authorities renders the taxation of intangible property inadvisable.

It seems, therefore, that local authorities should rely on the taxation of land and buildings supplemented, if necessary, by taxation of vehicles and animals, but that they should be given considerable discretion as to rates. This raises the question whether it is right to throw practically the whole burden of local taxation on immovable property, and it is this consideration which is probably responsible for the prevalence of indirect local taxation and for personal local taxes.

In more advanced countries the placing of the main burden on immovables is defended by the consideration that the value of his house or business premises is a very fair indication of the wealth of a tax-payer and also of the benefits he receives from local expenditure. In the simpler conditions of Indian life, it is possible that this is not the case. But if taxation of land and houses does not touch certain classes who receive substantial benefits from local expenditure, the proper course seems to be a system of licence duties and not indirect taxation or the taxation of incomes. In the latter connection it is interesting to notice that both in Italy and in Czecho-Slovacia recent reforms have led to a prohibition of the levy of a surtax on the State income-tax by local authorities.

* * * *

12. It has not been possible owing to the absence of figures to include statistics for the United States of America in the above note, but it may be of interest to consider the reports of two important committees that have examined the question of Federal and State, and State and Local taxation, respectively.

13. The following is a brief summary of the report of the Committee on Co-ordination in Taxation appointed by the American Economic Association :—The taxes on exports and imports are naturally and almost necessarily national. Excise taxes are desirably federal rather than state or local. Income-tax should be federal, but it should be open to the states to impose an income-tax as well ; and if they do so, the basis of the tax should be as nearly as practicable the same as that employed by the federal government. In the case of the corporation taxes, the best plan is to provide for the returns to the state authority to be as nearly as practicable in the same form as the federal return with as simple a plan as possible for the apportionment of the collections. In the case of inheritance taxes, three alternative methods of distribution were considered :—(1) to give to the federal government the tax on fortunes exceeding $50,000, (2) to have the whole tax collected by the federal government and the receipts distributed proportionately to the states, (3) to limit the federal tax to intangible property and the state tax to realty and tangible property. In the case of property taxes, the committee noted that the wholesome trend of current legislation is toward the abandonment of the general property tax and its replacement by a classified property tax on land, improvements thereon and movable tangible property, either at the same rate or at different rates, and by a personal income-tax on incomes from intangible property and other sources—the first named tax to be exclusively for state and local purposes, the second to divide the field between the federal and state governments, preferably in such co-ordination as permits the federal returns to be used as the basis of state taxation.

The following are extracts from the preliminary report of the Committee appointed by the National Tax Association to prepare the plan of a model system of state and local taxation :—

*Study of the tax laws of the American States reveals the fact that there are three fundamental principles which have been more or less clearly recognised by our law-makers, and have very largely determined the provisions of the enactments now standing on the statute-book.

The first is the principle that every person having taxable ability should pay some sort of a direct personal tax to the government under which he is domiciled and from which he receives the personal benefits that government confers.

* * * *

The second principle is that tangible property, by whomsoever owned, should be taxed by the jurisdiction in which it is located because it there receives protection and other governmental benefits and services.

* * * *

The third principle, somewhat less clearly and generally exemplified by our tax laws but discernible none the less, is that business carried on for profit in any locality should be taxed for the benefits it receives.

* *Vide* Bullock : Selected Readings in Public Finance, pages 494 *et seq.*

It is the opinion of the committee that the only method of reconciling these conflicting claims of the states is the adoption of a diversified system of taxation which recognises fully the three principles above mentioned and provides a method by which, without formal agreement among the states, these principles may be logically and consistently applied. We propose, therefore, a personal tax which shall be levied consistently upon the principle of taxing every one at his place of domicile for the support of the government under which he lives; a property tax upon tangible property, levied objectively where such property has its *situs* and without regard to ownership or personal conditions; and finally, for such states as desire to tax business, a business tax which shall be levied upon all business carried on within the jurisdiction of the authority levying such tax. By this method we believe it is possible to satisfy every legitimate claim of every state without imposing unequal and unjust double taxation upon any class of income, property or business.

* * * *

The committee is of the opinion that a partial separation of the sources of state and local revenue is desirable, but that complete separation, by cutting the connecting cord between the state and local governments, tends to destroy the states' sense of responsibility in the matter of local taxation. There is no experience to justify the belief that, if the states turn over to the local governments independent sources of revenue, and adopt the theory that local taxation is an affair of purely local interest, we shall ever have a satisfactory administration of the tax laws by local officials. Experience abundantly shows that such officials need constantly the expert advice, intelligent guidance and, when necessary, the effective control, of a State Tax Commission composed of experts and keenly alive to the need of just and efficient administration of tax laws by local officials. Total separation of the sources of state and local revenue, at least in the forms in which it is usually presented, seems to the committee to be distinctly a backward step, especially at this moment when the need is for greater emphasis upon state control over the taxation of property for local purposes. A further difficulty of complete separation is that the abolition of the direct state tax upon property tends to remove a desirable check upon state expenditure.

ANNEXURE R. (Question 165.)

List of Monopolies.

France	Tobacco, matches and explosives.
Germany..	Spirits, sugar substitutes.
Czecho-Slovakia	Salt, tobacco, artificial sweetening materials, explosives and lighting materials.
Finland	Alcohol and yeast.
Greece	Salt, petrol, matches, playing cards, cigarette paper and emery.
Italy	Salt, tobacco, matches, playing cards, quinine.
Switzerland	Alcohol.
Japan	Salt, tobacco and camphor.
Austria	Salt, tobacco.
Hungary..	Salt, tobacco, saccharine.
Roumania	Salt, tobacco, cigarette paper, matches, playing cards and explosives.
Bulgaria	Matches, cigarette paper, playing cards and manufactured tobacco.
Poland	Salt, spirits, tobacco, sugar and saccharine.
Sweden	Spirits and tobacco.
Portugal	Tobacco.
Latavia	Flax, leather and spirits of wine.
Jugo-Slavia	Salt, tobacco, petrol, matches, cigarette paper, saccharine, spirits.

No. 619/42 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *5th May*, 1925.

THE SECRETARY,
INDIAN TAXATION ENQUIRY COMMITTEE, DELHI.

SIR,

I am directed to acknowledge the receipt of your letter No. 97-T., dated 20th December, 1924, enclosing a copy of the Questionnaire prepared by the Indian Taxation Enquiry Committee and soliciting the Association's views on such of the questions in which they are interested.

2. In response to your previous letter dated 10th November, 1924, I forwarded you some of the publications issued by this Association and copies of important communications addressed to Government, and by this opportunity I am directed to forward you the following :—

1. Six copies of a Memorial addressed by the Association to His Excellency the Viceroy, regarding the Cotton Excise Duty and other burdens of taxation imposed upon the cotton mill industry.
2. Six copies of the representation addressed by the Association to the Municipal Commissioner on the subject of the heavy Municipal taxation imposed upon the cotton mill industry in the city and island of Bombay.
3. Copy of the leading article under the heading " An Overtaxed Industry " which appeared in the *Commerce* of 14th February, 1925.

3. Before proceeding to deal with the Questionnaire framed by your Committee, I am directed to invite your Committee's serious attention to the crushing burdens of taxation imposed upon the cotton mill industry. The 33rd paragraph of the representation to the Municipal Commissioner, copies of which are forwarded herewith, will give you an idea of the manner in which taxes have been piled upon the cotton mill industry without any reference to the taxable capacity of the industry. The total charges paid by the mill industry by way of taxes is estimated to be equivalent to a tax of nearly 8 per cent. on the share capital invested in the industry, which is at least 5 per cent. more than any other major industry is called upon to pay, and acts as a severe handicap in meeting competition in the home and other markets.

4. By far the most crushing and inequitable burden imposed upon the industry is, of course, the 3½ per cent. Cotton Excise Duty. The Association's publications on this subject which have been already forwarded to your Committee must no doubt have brought home to your Committee the absolute necessity of doing away with this admittedly unjust and inequitable impost.

5. It is perfectly amazing that although the Cotton Excise Duty has been unequivocally condemned by the highest officers in the realm—men like Mr. Lloyd George, Mr. Austen Chamberlain, Lord Hardinge, Lord Carmichael, Lord Willingdon—the Government of India should insist on retaining the duty for the sake of the revenue it brings. It will be generally admitted that there could be no more immoral doctrine for a Government to adopt than that a tax should be retained merely for the sake of the revenue it brings irrespective of all other considerations—political, economical and moral. Moreover, the Excise Duty was not levied in the first instance for revenue purposes, but to placate Lancashire, and now that its iniquity and its ruinous consequences on the premier industry of the country are proved to the hilt, it is hardly fair or just that its retention should be advocated for the sake of ' the tainted money ' it brings into the coffers of the Government of India.

6. The most objectionable feature of the Cotton Excise Duty, of course, is that it is a tax on production and not on profits. The Cotton Excise Duty is, in effect, a sort of fine imposed upon the cotton mill industry of India. The mill industry has to pay to Govern-

ment a certain amount on every pound of cloth manufactured—irrespective of the fact whether a profit is made thereon or not. A tax of this description on the production of a prime necessity of life is unheard of in any civilized country on the face of the globe.

7. It should be further remembered that the cost of the 3½ per cent. Excise Duty to mills has greatly increased during recent years as compared with pre-war years. At the present time the Excise Duty costs on the average about three-quarters of an anna per pound of cloth produced as against little over one-fourth in 1913-14. The reason for this is that the price of cloth has increased very considerably owing to increases in prices of raw cotton, stores, etc., increased taxation, very much higher wages and shorter hours of labour. The result is that a shirting which cost 8 annas per lb. to produce in 1914 now costs 20 annas to produce. Thus Government are collecting about two and a half times the duty collected in 1914, *viz.*, 210 lakhs against 84 lakhs, *i.e.*, practically 126 lakhs more on account of the cause indicated above.

8. As regards the ruinous effects of the duty on the cotton mill industry of India, particularly in regard to the formidable competition from Japan, it is not proposed to dilate at length in this place, but my Committee desire to invite the most serious attention of your Committee to the Association's publication 'The Indian Cotton Excise Duty," particularly to pages 41 to 62 thereof. My Committee are confident that a careful perusal of this book will convince the members of the Indian Taxation Enquiry Committee that the case for the abolition of the iniquitous excise duty on cotton goods is absolutely unanswerable.

9. Having drawn your Committee's attention to the heavy burden of taxation imposed upon the cotton mill industry, and in particular to the iniquity of the Cotton Excise Duty, I now proceed to state my Committee's views on some of the questions contained in your Questionnaire.

10. *Question No.* 4.—I am directed to state that this Association has no detailed suggestion to make for the improvement of the present methods of recording and compiling statistics. This Association has always been and will always be willing to provide Government with accurate information and statistics with regard to the state and conditions of work, etc., in the cotton textile industry. My Committee are, however, of opinion that there is considerable room for improvement in the present system of compiling and collecting statistics relating to agriculture and my Committee think it desirable that Government should formulate a scheme for furnishing the public with accurate and satisfactory data and statistics relating to agriculture.

11. *Question No.* 5.—The English Census of Production Act has been recognised to be a most expensive failure, as is evidently admitted by the Taxation Enquiry Committee judging from the wording of this question, and my Committee are strongly opposed to the enactment of an identical Act for India.

12. *Question No.* 6.—This Association and other important public bodies strongly opposed the Statistics Bill which was introduced by the Government of Bombay some time back and which was eventually withdrawn. I am directed to forward you herewith copies of the representations made by this Association to the Government of Bombay in connection with this ill-advised piece of legislation. These representations, it is hoped, will satisfy the Taxation Enquiry Committee of the inadvisability and dangers of enacting legislation for the compulsory collectiom of statistics. It will be further observed from these representations that if legislation be at all deemed necessary, then in my Committee's opinion there should be all-India legislation and not provincial legislation.

13. *Question No.* 7.—My Committee is unable to accept the view that statistics of the nature referred to in question No. 6 are of any appreciable value. It is very rare indeed that any true comparison can possibly be made between the statistics of one country and the statistics of another country inasmuch as there are many divergent factors, either unknown or incompletely understood, and conclusions based on such data are most misleading and inaccurate and may even prove dangerous.

14. *Question No.* 47.—In my Committee's opinion, the present arrangements in regard to assessment of income-tax on the previous year's income are satisfactory, but I am directed to point out that the Government of India in the year 1919 revised the Income-tax Act and made income-tax payable on actual profits. This necessitated an adjustment of the income-tax and super-tax payable by individuals at the end of each year. Between 1919 and 1921 the profits of the mill industry were increasing and Government by this revision and readjustment of the Income-tax Act made considerable gains. In 1922, however, the Act was again revised and assessments were made on the previous year's income. The result was that when profits declined, Government very cleverly took away the clause of yearly adjustment to the detriment of companies and individuals, but to the benefit of the Government Exchequer.

15. *Question No.* 48.—My Committee accept the principle that the articles to be taxed should be few, but sufficient in number and of such kind as to touch all classes and to reach in a moderate degree those who do not contribute to direct taxation. I am, however, directed to point out that an application of this principle by Imperial, Provincial and Municipal authorities at the same time is likely to operate very prejudicially inasmuch as one and the same article is likely to be taxed more than once. A typical illustration of this is afforded by the scheme of Terminal Taxes recently worked out by the Bombay Municipality. Under this scheme several commodities, *e.g.*, coal, liquid, fuel, machinery, etc., which are already subject to import duties levied by the Government of India, are included in the schedule of articles which are proposed to be subjected to the Terminal Tax and this obviously means great hardship on the 7 mill industry which largely consumes the articles named. I am directed to enclose herewith copies of the letters addressed by this Association to the Bombay Municipality on the subject of the proposed Terminal Taxes, and my Committee commend these letters to the very careful consideration of the Taxation Enquiry Committee.

16. *Question* No. 82.—It is my Committee's considered opinion that the time has come when Government should seriously consider the advisability of levying export duty on cotton. At present the Japanese purchase their cotton from this country, carry it to Japan, manufacture it into yarn and cloth and then ship it back again to India and to the other legitimate markets of India to the great detriment of the Indian textile industry. An adequate export duty would probably yield two crores annually and would thus furnish Government with a fresh source of revenue which would make it easier for them to abolish the Cotton Excise Duty. It can hardly be maintained that a small export duty will operate harshly on the cultivator. There can be no doubt that the demand for Indian cotton will grow on increasing, especially as even Lancashire is now turning to the manufacture of coarser goods and is therefore importing Indian cotton in larger quantities. An export duty will further help in assuring the indigenous industry of an adequate supply of cotton. My Committee confidently expect that a careful consideration of this important question will establish beyond any doubt that an export duty on cotton will prove very beneficial to the textile industry and to the country generally without the least adverse effects on the cultivators.

17. *Question No.* 83.—In my Committee's opinion it would not be wise to give a general answer to the question whether *ad valorem* or specific duties should be favoured, for, the answer to this question depends upon the nature of the commodities to be taxed. So far as cotton is concerned, my Committee maintain that the export duty recommended by them should be in the first place a specific duty which would make it much cheaper and easier to collect and make it more readily possible to calculate the amount of revenue which would be derived from it, and would make it more difficult for the tax to be passed back to the cultivator by the Japanese.

18. *Question No.* 196.—In regard to Local Taxation under heading (*b*), my Committee agree that the main criterion for levying taxes should always be the measure if the benefits received, provided always that the ability to pay is taken into consideration. A careful consideration of the taxes imposed by the Bombay Municipal Corporation on the cotton Mill Industry of Bombay will convince the Taxation Enquiry Committee that these taxes have been increased so tremendously that they are out of proportion to the benefits received

by the industry or the industry's ability to pay. In this connection my Committee has had a good deal of correspondence with the Municipal Commissioner, and copies of this correspondence forwarded herewith will, my Committee are confident, convince the Taxation Enquiry Committee of the enormity of Municipal Taxes imposed upon the industry.

19. *Question No.* 116.—My Committee do not understand what the Taxation Enquiry Committee mean by 'a manufacturing tax on cotton'. Presumably it is another name for Cotton Excise Duty, and if it be so, then my Committee's views have been already given above.

In regard to a tax on companies, my Committee desire me to state that there is already a super-tax on the profits of the companies in addition to the income-tax. My Committee firmly maintain that at the first opportunity this company super-tax should be abolished or at any rate should be reduced inasmuch as the tax is an impediment to the development of industries. In my Committee's opinion it is not right to continue a tax which was levied purely as a war measure.

20. *Question No.* 119.—My Committee see no reason why business profits should escape taxation, if it be possible to tax business profits and collect the tax at resonable cost. As regards employers of labour, I am directed to point out that they are already taxed by the Workmen's Compensation Act, etc. As regards taxing transactions in capital and exchange, although the suggestion may appear sound in theory, my Committee apprehend it would be found difficult and costly, if not impossible, in practice.

21. *Question No.* 120. My Committee strongly urge the advisability of imposing income-tax and super-tax on agricultural incomes as in the case of incomes from other sources. No satisfactory case has been ever made out for exempting agricultural incomes from income-tax and super-tax, and it is my Committee's considesed opinion that this unjustifiable exemption entails on Government a tremendous loss in revenue. It is very anomalous that agricultural income, however considerable, should be exempted from taxation while a clerk earning Rs. 2,000 per annum should be liable to pay income-tax. My Committee do not think succession or legacy duties or heavy profit duties suitable in the present condition of India, where money is so essential for the agricultural and industrial developemnt of India.

In conclusion, I am directed to state that although my Committee have given above their views on the different questions in which they are interested, they are very sceptical as to the ultimate results of the labours of the Taxation Enquiry Committee. My Committee are of opinion that it would have been better if in framing their Questionnaire, the Taxation Enquiry Committee had confined their attention to a few broad and important questions in connection with the taxation policy of Government. Unfortunately, the Questionnaire is much too elaborate and goes too much into minute and unimportant details and my Committee apprehend that a Questionnaire like this, far from helping the Taxation Enquiry Committee in reaching sound conclusions on important questions pertaining to taxation is only apt to confuse the issue, and will ultimately mean waste of public time and money. However that may be, this Association will be very pleased if the labours of the Taxation Enquiry Committee will result in sound and useful recommendations being made to the Government of India, particularly in bringing home to the Government the hopeless plight to which the cotton mill industry has been reduced by the crushing burdens of taxation imposed on it; and to which the attention of your Committee was drawn in the beginning of this letter. My Committee welcome a careful investigation into this question by an expert and independent body like the Taxation Enquiry Committee; and any further information required by you in connection with this matter will be most willingly furnished.—I have, etc.,

J. P. WADIA;

Acting Secretary.

No. Bom 628.

INDIAN TAXATION ENQUIRY COMMITTEE,
BANGALORE, *9th May*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to acknowledge with thanks the receipt of your letter No. 619 of 1925 dated the 5th May, 1925, forwarding your replies to the questionnaire issued by the Indian Taxation Enquiry Committee.—I have, etc.,

W. B. BRETT,
Secretary.

No. 210E.

INDIAN TAXATION ENQUIRY COMMITTEE,
BANGALORE, *12th May*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

With reference to your letter No. 619/42 dated the 5th May, 1925, I am directed to say that the Committee would be glad to examine a representative of the Association on Tuesday, the 9th June, at 11 a.m. at the Bombay Secretariat. Would you please let me know whether the time and date are suitable ?—I have, etc.,

W. B. BRETT,
Secretary.

No. 680/42 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *21st May*, 1925.

THE SECRETARY,
INDIAN TAXATION ENQUIRY COMMITTEE, BANGALORE.

SIR,

I have the honour to acknowledge the receipt of your letter No. 210E dated the 12th May, 1925, and to state in reply that my Committee's views have been very fully set forth in their letter of 5th May and they therefore do not see the necessity for sending a representative to give oral evidence.—I have, etc.,

J. P. WADIA,
Acting Secretary.

No. 1025.

INDIAN TAXATION ENQUIRY COMMITTEE,
BANGALORE, *29th May*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter No. 680/42, dated the 21st May, 1925, stating that as your Committee's views have been very fully set forth in their letter of the 5th May, they do not see the necessity for sending a representative to give oral evidence.

2. The Taxation Enquiry Committee have received from your Association a considerable quantity of literature devoted to a criticism of the present cotton excise duty. After studying these papers together with your Association's reply to the questionnaire, the Committee are of opinion that there are certain important points in these papers, which require to be elucidated in oral examination. In view of the importance of the matter and the fact that your Association is the most authoritative body with which this tax can be discussed, the Committee hope that your Committee will be able to see its way to reconsider their decision. As the Taxation Enquiry Committee are leaving Bangalore on the 1st of June, I am to request that your reply be sent to me at the Bombay Secretariat, if it cannot reach me by the 1st at Bangalore.—I have, etc.,

J. V. JOSHI,
for *Secretary*.

No. 731/42 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *8th June*, 1925.

THE SECRETARY,
THE TAXATION ENQUIRY COMMITTEE, BOMBAY.

SIR,

I am directed to acknowledge receipt of your letter No. 1025 dated 29th May, 1925.

2. Your letter has been in circulation among the members of my Committee, and in ordinary course my Committee would have come to a definite decision at their next ordinary meeting to be held on the 15th instant. As, however, your Committee are leaving Bombay day after to-morrow the matter was brought forward at a special meeting of my Committee held to-day, when, owing to shortness of time at their disposal, it was not possible for my Committee to depute a representative for giving oral evidence.

3. I am directed to express my Committee's regret at their not being able to accede to the request made in your letter.—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 38.

INDIAN ECONOMIC ENQUIRY COMMITTEE.

No. 258-E.

INDIAN ECONOMIC ENQUIRY COMMITTEE,
DELHI, *1st April*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to enclose a copy of the questionnaire that has been prepared by the Indian Economic Enquiry Committee and to say that the Committee will deem it a favour if you will forward to me not later than 16th April at Calcutta a statement of your views on any of the questions therein in which you are specially interested. It is not intended that witnesses should answer all the questions.

2. As the replies to the questionnaire are received, the Committee will decide which of the witnesses they desire to examine orally and will arrange a programme for such examin-

ation. Should they desire to request you to give evidence orally, I shall address you as soon as practicable after receipt of your reply regarding the time and place appointed for taking your evidence.

3. A copy of the Government of India, Finance Department, Resolution appointing the Committee together with a copy of the *tour programme are enclosed for your reference. —I have, etc.,

A. R. BURNETT-HURST,
Secretary.

FINANCE DEPARTMENT,
DELHI, *22nd January*, 1925.

RESOLUTION.

No. 655-F.—The Government of India have had under consideration the best method of giving effect to the wishes of the Legislature in connection with the institution of a general economic enquiry in India. They have come to the conclusion that before any wider enquiry can usefully be inaugurated, it is necessary to collate and examine the existing material, to ascertain how it can best be supplemented and to determine what lines an economic enquiry into the resources of the country should take. They have accordingly decided, with the approval of the Secretary of State, to appoint immediately a small Committee for the purpose consisting of the following gentlemen who have consented to serve on it :—

SIR M. VISVESVARAYA, K.C.I.E., D.Sc., M.I.C.E., *Chairman*;
RAI BAHADUR PANDIT HARI KISHAN KAUL, C.S.I., C.I.E., *Member*; and
MR. A. R. BURNETT-HURST, B.Sc., Professor, Muir Central College, Allahabad, *Member* and *Secretary*.

2. The following are the terms of reference to the Committee :—

To examine the material at present available for framing an estimate of the economic condition of the various classes of the people of British India ; to report on its adequacy ; and to make recommendations as to the best manner in which it may be supplemented, and as to the lines on which a general economic survey should be carried out, with an estimate of the expenditure involved in giving effect to such recommendations.

A. C. MCWATTERS,
Secretary to the Government of India.

INDIAN ECONOMIC ENQUIRY COMMITTEE.

Questionnaire.

GENERAL.

1. It is suggested that enquiries as to the economic condition of the people should be made with reference to :—

(1) Production,
(2) Wages,
(3) Income,
(4) Cost of Living,
(5) Wealth, and
(6) Indebtedness.

In your opinion would enquiries on these subjects be sufficient or would you suggest any others on which information should be collected ?

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* Not printed.

2. Under our terms of reference, we have, among other things, to aim at estimating the economic condition of the various classes of people. Sir Edward Gait framed a classification of occupations for the Census of India, 1911 [see Appendix G (*a*)]. Would you adopt this as the basis and sub-divide occupations as indicated in Appendix A. If not, can you suggest any alternative ?

3. Do you think that for the purposes of collecting economic data, provinces should be sub-divided into tracts which are more or less similar in economic characteristics ? If so, would you adopt Sir Edward Gait's classification (see Appendix A-2) or that of Mr. K. L. Datta (see Appendix A-3) ?

4. In collecting statistical data relating to the economic welfare of the people of British India, would there be any difficulty in, or objection to, following the standards of the Dominions and European countries as laid down by the resolutions of the Imperial Statistical Conference ?

PRODUCTION.

Agriculture.

5. In Appendix B, a description is given of the existing system of crop reporting in India and of collecting statistics of outturn. How far are the returns published in—

(*a*) the "Agricultural Statistics of India,"

(*b*) provincial Season and Crop Reports and "Estimates of area and yield of principal crops in India,"

reliable ?

6. If you consider the existing machinery for crop reporting defective in any or all the provinces, have you any alternative to suggest ?

7. In provinces and tracts where there is a subordinate revenue agency utilised for crop reporting (*e.g.*, the Punjab and the United Provinces) statistics of *quantity* of agricultural produce are available for some of the most important crops. There are no regularly published figures of *yield* for minor crops (*e.g.*, lobia), vegetables, fruit, condiments and spices, fibres (other than cotton and jute) and dyes and tanning material (see Appendix C). In the Dominions, information under these heads is given. Do you consider that the information should be collected even at an extra cost ?

8. In provinces and tracts where there is no subordinate revenue agency and a rough estimate of area under crops and of outturn is made by the local officers on the basis of information received from chowkidars, what measures should be adopted for ascertaining the particulars mentioned in question No. 7 ?

Pastoral.

9. A regular and comprehensive quinquennial census of cattle and other live-stock, ploughs and carts was instituted in India for the first time in 1919-20. Do you consider the information collected to be fairly reliable ? If not, have you any suggestions to make for improving its accuracy ?

10. No attempt has been made to publish regular statistics of other pastoral products, *e.g.*,—

(*a*) meat,
(*b*) skins,
(*c*) wool,
(*d*) tallow,
(*e*) bones, hair, hoofs, horns, sinews, etc.,
(*f*) game of all kinds.

In your opinion how could information under each of the above heads be obtained ?

11. Are there any other pastoral products for which statistics should be compiled ?

Dairy and Farm Products.

12. Little or no information is available for the following :—

(*a*) Milk,
(*b*) Butter,
(*c*) Cream,
(*d*) Curd (Dahi),
(*e*) Ghi,
(*f*) Cheese,
(*g*) Bacon and Ham,
(*h*) Eggs,
(*i*) Poultry,
(*j*) Honey (also under " Forest Products "),
(*k*) Bees-wax.

What measures should, in your opinion, be adopted to secure, as far as possible, accurate and comprehensive data under each of the above heads ?

13. Are there any other dairy and farm products for which information should be obtained ?

Forestry.

For officers engaged in Forest Administration.

14. The statistics relating to forest production are published in—

(*a*) the Annual Returns of Statistics relating to Forest Administration in British India,

(*b*) the Quinquennial Review of Forest Administration in British India,

(*c*) the Annual Forest Reports of the provinces.

Figures of the *value* of " timber " and " fuel " produced are given in the annual reports of a few provinces, *viz.*, United Provinces, Bengal, North-West Frontier Province, Baluchistan and Ajmer-Merwara. Would it not be possible to obtain similar information for the rest of British India ?

15. By what methods are the statistics of the *volume* of timber and fuel produced in British India (which are published in " a " and " b " above) compiled ? How far are the published figures reliable and complete ?

16. In Appendix " D " is a list of forest products about which data (quantity and value) should be obtained, if not already available. Which of the items in the list are included in the returns of " other minor produce " and how far is information relating to them reliable ? Is there any difficulty in securing returns for the remaining items ?

17. Can any means be devised for obtaining, as far as possible, statistics of forest produce for (*a*) unclassed forests and (*b*) private forest areas ?

Fisheries.

18. In view of the magnitude of the fishing industry, do you agree that steps should be taken to secure complete statistics of the production of both fresh water and sea fisheries ?

19. In respect of fresh water fisheries in particular, what measures would you suggest should be adopted for obtaining this information ?

20. As regards sea fisheries, what agency would you employ for collecting the data ?

21. How would you proceed to ascertain the quantity and value of the products of subsidiary industries, *e.g.*,–

(*a*) fish curing and canning,

(*b*) pearl oyster fisheries,

(*c*) edible oyster fisheries,

(*d*) lime from coral and shell,

(*e*) fish guano and manure,

(*f*) miscellaneous [*e.g.*, "chank" fisheries and subsidiary industries (manufacture of bangles, etc.); the *beche-de-mer* industry; fish maws and shark skins and fins; sea-weeds for vegetable gelatine.]

Minerals.

22. Appendix E contains a list of minerals, (*a*) for which regularly recurring and full particulars are not available, (*b*) for which no statistics are collected. There are important and valuable minerals in each category (*e.g.*, alum, building stone and materials, fuller's earth, gypsum, borax, arsenic, antimony, sulphur, glass-making materials, mercury). Do you think arrangements should be made for obtaining information regarding the quantity and value of output in respect of each mineral which is known to be extracted in India? If so, what agency should be employed for collecting it?

23. The Report of the Chief Inspector of Mines contains information relating to:—

(*a*) the number of mines, distinguishing those worked by mechanical power,

(*b*) average daily number of employees,

(*c*) total output (quantity) and

(*d*) details of accidents,

for those mines which are subject to the operation of the Indian Mines Act; while the Review of Mineral Production (contained in the Records of the Geological Survey) gives the quantity and value of the output of a certain number of minerals. Do you consider it necessary to collect similar information (including value of output) for all other minerals?

24. Are you of opinion that it would be inadvisable to collect data regarding "value of machinery"?

25. As the Indian Mines Act excludes from its scope mines and quarries which are less than 20 feet in depth, what suggestions would you make for obtaining information relating to such mines? Would you suggest a legislative measure to secure returns?

26. The value of the output as stated in the Review of Mineral Production represents, in the case of several minerals, the value at the mine and bears little relation to the selling price in the open market. Should not the values be computed at the market price?

Industrial: Large Scale Industries.

27. In Appendix F (1) is a detailed statement of information published regarding large industrial establishments. In F (2) of the same Appendix are the names of a large number of industries for which information does not appear to be regularly published. Can you name any publication containing statistics of production (quantity and value), with regard to any of these industries?

28. Are there any other industries known to you of which returns of production, etc., might be obtained?

29. As it appears difficult to secure voluntary returns of production, etc., from employers, would you advise compulsory legal powers for obtaining the information ?

30. Would you advocate the institution of a regular Census of Industrial Production ? If so, should it be instituted annually, quinquennially or at longer intervals ?

31. Should the census, in your opinion, be as detailed as the United Kingdom Census or should it follow the lines of Censuses instituted by the Dominions ?

32. Should the information relating to *large industrial establishments* be obtained by :—

(1) the Imperial statistical organisation, or

(2) through provincial statistical organisations ?

33. What precautions should be taken against the possibility of information reaching rival concerns ?

34. Would you define *large* industrial establishments as those which are governed by the Indian Factories Act ? If not, how should they be defined ?

35. For the purpose of the Census of Industrial Production, which of the following schemes of classification of Industries (Appendix G) would you prefer—

(*a*) the occupational classification adopted at the Census of Population in 1921 ;

(*b*) the classification given in " Large Industrial Establishments in India " published by the Department of Statistics ;

(*c*) one of the classifications adopted by the Dominions ?

36. It is suggested that large industrial concerns should supply the following information :—

(*a*) No. of establishments.

(*b*) No. of persons employed.

(*c*) No. of days worked.

(*d*) Horse-power and kind of engine.

(*e*) Capital invested—

(1) Value of lands and buildings.

(2) Value of machinery and plant.

(*f*) Quantity and value of raw materials either

(1) purchased ; or

(2) used.

(*g*) Wages and salaries.

(*h*) Cost of fuel, light and power.

(*i*) Miscellaneous expenses.

(*j*) Quantity and value of total outturn.

Would you propose any additions, omissions or alterations and if so, for what reasons ?

Cottage Industries.

37. Appendix H contains a list of cottage industries known to exist in India. Can you name any other such industries ?

38. No regular and comprehensive data are published regarding the production of these industries, although occasional isolated statements are to be found about some of the industries in industrial monographs, industrial survey reports and special works on industries of certain provinces (*e.g.*, Latifi's "Industrial Punjab," Sir Atul C. Chatterjee's "Notes on the Industries of the United Provinces").

Do you consider it possible to collect, for the purpose of a general census of production, data relating to Cottage Industries under some or all of the following heads :—

(1) the number of persons engaged in the industry, distinguishing—

(*a*) workers on their own account,

(*b*) employers, and

(*c*) employees.

(2) the quantity and value of raw material used ;

(3) the quantity and value of the finished products ;

(4) the quantity and value of the products sold ;

(5) total wages paid to employees ;

(6) hours of work of employees.

39. If your answer to question 38 is in the affirmative, what agency would you suggest ?

WAGES.

Agriculture.

40. An annual statement of rural wages is published by the Government of the Central Provinces and Berar, while a quinquennial wage census is taken in the remainder of British India. It is suggested that the figures which are published in "Prices and Wages in India" are unsatisfactory for the following reasons :—

(*a*) that the returns relate to a particular month and to selected villages ;

(*b*) that great differences in the nature and remuneration of agricultural work in different parts of India require a more detailed classification of agricultural workers than is at present given, *i.e.*, "unskilled or agricultural labourers," "thatchers" (for Bengal, Bihar and Orissa and Assam only) and "ploughmen" ;

(*c*) that in many cases the *range* of daily average wages is given, *e.g.*, 6 annas to 10 annas ;

(*d*) that in the case of "unskilled labourers" and "thatchers" the wage is stated per diem, the monthly earnings not being given ;

(*e*) that the information given is only the average wage ;

(*f*) that in some cases the daily rate of wages is stated to four decimal places of a rupee.

Do you share this view ?

41. Are you of opinion that the agency which at present collects statistics of wages in agricultural areas supplies accurate returns ? If not, what suggestions have you to make for improving the system.

42. The following classifications of agricultural workers have been employed in publishing wage statements in India :—

(1) *The Datta Report.*—Ploughmen, reapers, weeders, sowers, transplanters and " others, " also, thatchers and gharamis.

(2) *Bombay Labour Office.*—Field Labour (Ploughmen, reapers, sowers, weeders and transplanters), Ordinary Labour (those engaged on large agricultural holdings for the purpose of embankment, well-digging, canal silt-clearing and on the more important work on a farm which sometimes requires a higher degree of skill than that possessed by the field labourer).

Are you of opinion that one of the above systems of classification should be made uniform throughout India, with necessary alterations, or that each province should be left to decide its own system ?

43. Most wage returns merely give the daily rate of wages while the frequency of employment is not stated. Should steps be taken to ascertain the regularity of employment or would it be sufficient to obtain a return of monthly earnings ?

44. Should the extra payments (in cash or in kind) received at harvest be apportioned and added to the daily or monthly wage ?

45. Villages vary in the practice of paying wages. In a few, the custom prevails of paying full wages in kind ; in others, payments are made partly in cash and partly in kind, while there is a third group of villages where payments are made entirely in cash. As the rates of converting payments in kind into terms of cash vary according to the personal equation, have you any suggestions to offer as to the fixing of definite standards of conversion ?

46. Should wage returns be classified according to canal-irrigated, well-irrigated and unirrigated tracts as well as by districts ?

47. In some parts of India, the value of the supplementals given in addition to cash wages is appreciable. The Punjab ploughman, for instance, is stated to receive Rs. 36 per annum in supplementals (excluding food). Is it possible to measure the following supplementals :—

(*a*) the dwelling ;
(*b*) food ;
(*c*) tobacco ;
(*d*) clothing ;
(*e*) bedding ?

If so, how ?

48. In the Third Wage Census of Bengal (1916), the " medium " was employed for representing the rate of wages in each district, whereas the Third Wages Survey of the Punjab (1922) utilised the " mode " and in addition gave the frequency distribution of village wage rates. Would you suggest employing—

(*a*) the " median " together with quartiles, or

(*b*) the " mode " and the frequency distribution, for representing the distribution of agricultural wages in each province ?

49. Would not the utility of the wage returns be enhanced if one could ascertain " the total number of persons " to whom each of the rates applied ?

50. Should separate returns of wages be obtained for the " Kharif " and the " Rabi " harvests ?

51. Would it be possible to ascertain with any degree of reliability, the hours of labour of agricultural workers ?

Craftsmen and Village Artisans.

52. In " Prices and Wages in India " statements of the wages paid to craftsmen and persons engaged in petty industries (rural and urban) are tabulated according to the following classes :—

Rural.	*Urban.*
Carpenters.	Workers in iron and hardware.
Blacksmiths.	Brass, copper and bellmetal workers,
Masons	Carpenters.
	Masons and builders.
	Cotton weavers—hand industry.

Are there any other classes of craftsmen, etc., regarding whom information should be supplied ?

53. Wage returns for the above classes are published quinquennially (except in the case of the Central Provinces and Berar where annual statistics are compiled) and give the *range* of " average daily wages." Would it be possible to secure returns showing the number of craftsmen, etc. (classified by crafts, etc.,), earning varying rates of wages ?

54. How far are the statistics which are at present published reliable ?

55. As some of the village artisans are paid in kind as well as in cash, would you follow the same method of evaluating payments in kind and supplementals as in the case of agricultural labourers ?

56. Would it be possible to secure particulars of the working hours of craftsmen and village artisans ?

Large Industrial Establishments.

57. Apart from the enquiry into Wages and Hours of Labour in the Bombay Cotton Mill Industry, 1921, and the Madras Wage Census, 1922, statements regarding the wages paid in large industrial establishments are very scanty and relate to a few individual firms engaged in about a dozen industries. Are you of opinion that detailed surveys similar to that of the Census of Wages in the Bombay Cotton Mills should be undertaken in every large-scale industry ?

58. An attempt to institute a comprehensive and detailed wage census was made in 1921-22, but owing to financial stringency, the need for a competent staff and the absence of powers of compulsion for securing returns from employers, the enquiry was not a success, except in the Bombay Presidency and to a less extent in Madras. In the United Kingdom and the Dominions, returns of wage statistics are compulsory. Are you of opinion that, apart from the question of staff and finances, steps by legislation will have to be taken to secure the statistics ?

59. Wages are paid weekly in the Calcutta jute mills and monthly in the Bombay cotton mills. Should the ' day, ' ' week ' or ' month ' be taken as the unit of time for recording wages for statistical purposes ?

60. Owing to the prevalence of absenteeism, would it not be necessary to ascertain the number of days worked and the earnings, in addition to the wages and the hours of labour ?

61. Workers in urban centres periodically migrate to their villages for several weeks, sometimes months. In endeavouring to ascertain a man's earnings, how would you deal with the difficulties arising from this practice ?

INCOME.

62. Appendix I contains a list of estimates of the national income of India. Do you think the diversity of the figuresis due to the part played by assumptions in the determination of results from data which are considered imperfect and far from comprehensive ?

If so, can you indicate in what direction improvement should be attempted with the object of making the statistics more accurate and reliable ?

63. Estimates of income have been made variously on the basis of—

(*a*) production only,

(*b*) production and the value of certain services based upon wage statistics and occupational figures ascertained in population census and

(*c*) " (*b*) " supplemented by income-tax statistics.

In view of the incomplete nature of such statistics would you advocate the institution of an income census on the lines of that adopted in Australia in 1914-15, utilising the statistics of wages, income-tax and production as checks ? If not, what method would you advocate for the purpose of obtaining a fairly accurate estimate of the total income ?

64. For the purposes of income statistics should the unit of enumeration be the individual, the family or the household ?

65. What period of time would you take as the unit for measuring income, *viz.*, year (financial or agricultural), half-year (harvest—Kharif and Rabi), month or day ?

66. Would you adopt the same unit for the measurement of income of all classes or would you adopt different units (*e.g.*, year for rent-payers, month for salaried persons, day for unskilled labourer) and convert them into one large uniform unit for purposes of comparison ?

67. In valuing income in kind would you assign any value to the free gifts of nature such as fuel in villages ?

WEALTH.

68. Statisticians attempt to compute national wealth on the basis of one or other of the following methods :—

(*a*) from statistics collected through the taxation of income,

(*b*) from statistics collected through the annual taxation of capital,

(*c*) from estate duty statistics,

(*d*) the " inventory " method,

(*e*) the " census " method.

Statistics mentioned in " (*b*) " and " (*c*) " are not available in India whi e income-tax statistics " (*a*) " do not include agricultural incomes nor are they complete. Could either of the methods " (*d*) " or " (*e*) " or a combination of them be applied to India with any degree of success in obtaining fairly complete information or would you suggest any other method ?

69. Appendix J gives a suggested list of the principal items to be taken into account in framing an estimate of national wealth (private and public). Have you any criticisms to make or suggestions to offer ?

70. Would you value agricultural land—

(*a*) on the basis of average sale price noted in the revenue returns,

(*b*) as a multiple of land revenue, or

(*c*) as a result of a local enquiry ?

71. How would you value buildings in villages where there are no rent data ?

72. In towns where a standard of rent exists would you estimate the value of buildings on the basis of rent or by some other method ?

73. Do you advise a detailed enquiry from every individual in respect of all forms of private wealth ?

74. Do you think the replies as to the values of articles possessed and particularly as to coin, bullion and jewellery will be reliable ? If not, what methods would you adopt to obtain reliable information ?

75. Considering the difficulty involved in obtaining values of some of the articles included in *public* wealth, would you be satisfied with rough estimates only ?

Cost of Living.

76. What methods do you consider should be adopted in British India for measuring variations in the cost of living of different classes and sections of the community in (*a*) urban and (*b*) rural areas ?

77. Are you of opinion that the "mass-unit" system applied in preparing the Bombay Cost of Living Index Numbers is suitable in view of the enormous differences in consumption by the heterogeneous communities comprising urban populations in India ?

78. In Appendix K is a list of publications containing "family budgets."

It would appear that there are three alternative methods for collecting information :—

(*a*) by complete house-to-house inquiries,

(*b*) from typical families, or

(*c*) by random sample.

79. During what length of time should the expenditure of a householder be continuously recorded for the purpose of obtaining a budget which will reflect normal conditions ?

80. For what proportion of the population of a unit should family budgets be collected so as to afford fairly reliable data ?

81. Should expenditure on "drink," "drugs," "religious and social ceremonies," "gifts to relations" and "entertainments" be included among the items of expenditure in a family budget ?

82. It is generally admitted that statistics of prices are unsatisfactory and unreliable. What steps would you suggest, should be taken to improve the methods of reporting prices (including the grading of commodities) ?

INDEBTEDNESS.

83. Apart from the "haisiyat" statements of co-operative societies, mortgage returns for agricultural lands and settlement reports (*e.g.*, for districts of Burma), what other official records contain information relating to indebtedness ?

84. If it were decided to institute enquiries into indebtedness should the unit of measurement of indebtedness be—

(*a*) the individual,

(*b*) the family, or

(*c*) the household ?

85. Do you approve of the following as the main heads about which data should be collected or would you recommend a more detailed enquiry :—

(i) Amounts originally borrowed—

(*a*) cash,

(*b*) produce, for food / for seed } in case of agriculturists only.

(ii) Accumulation of debt.

(iii) Repayments.

(iv) Debt outstanding.

(v) Rate of interest charged.

(vi) Security.

(vii) Chief purpose for taking the loan.

(viii) Method of repayment ?

86. Should information regarding indebtedness be collected by special intensive enquiries, or do you think that the result of a general survey will be reliable ?

INITIAL ECONOMIC SURVEY.

87. It is suggested that the initial economic survey should consist of two sections as follows :—

Section I.—Censuses to be undertaken by central or provincial authorities by special arrangement (*e.g.*, through heads of departments, factory inspectors, heads of firms, etc.)—

(*a*) Census of Production—

(i) agriculture ;

(ii) factories and other large industrial establishments ;

(iii) mining ;

(*b*) Census of Wages of—

(i) workers in large industrial establishments and mines;

(ii) State and Municipal employees;

(iii) employees in private firms;

(iv) transport workers;

(v) other persons engaged in State regulated occupat ons

(*c*) Census of Wealth—

(i) private—collective;

(ii) public (Government and local bodies).

Section II.—A local enquiry into

(*a*) the production of—

(i) cottage industries;

(ii) minor forest products;

(iii) fruit;

(iv) dairy and pastoral products;

(v) fish.

(*b*) The wages of—

(i) craftsmen, artisans and employees in minor industries;

(ii) agricultural labourers;

(iii) unskilled labourers (urban and rural);

(*c*)	the income	of	(i) individuals,
(*d*)	the "individual" wealth (private)		(ii) families, or
(*e*)	the indebtedness		(iii) households,
(*f*)	the cost of living		

Have you any criticism to offer or any suggestions to make on the above?

88. With regard to question No. 87, Section II (*a*), would it be sufficient to ascertain the total production of the village? If so, what agency would you employ?

89. Would you employ the results of the local enquiry and figures of production obtained by the revenue agency as checks on each other?

90. With regard to question No. 87, Section II (*b*), do you think answers elicited by questions at a house-to-house visit will be sufficiently reliable or would you suggest any other method of getting reliable information?

91. With regard to questions No. 87, Section II (*c*), (*d*), (*e*), and (*f*) should the enquiry be—

(i) by intensive study (*i.e.*, by personal observation and independent verification of information elicited), or

(ii) by merely recording answers to questions.

92. In either case what agency would you employ ? If a new agency is suggested, what should be its character ?

93. How long do you think that an initial survey of the nature recommended by you would take ? Can you afford any approximate idea of its cost ?

PERIODICAL SURVEYS.

94. Do you consider the initial economic survey (mentioned in question No. 87) should be the precursor to similar periodical surveys with a view to measuring progress or decline and to maintaining the utility of the economic data ?

95. If so, at what intervals would you recommend that detailed surveys should be repeated ? Would you agree to the suggestion that in course of time the periodical surveys should synchronize with the Population Census ?

96. Assuming that detailed surveys should be taken at fairly long intervals (say, quinquennially), should not less detailed information be collected annually as far as possible as is the practice in the Dominions, *e.g.*, in the case of factory production ; data of the total number of employees, quantity and value of total output and cost of raw material : in the case of agricultural production ; quantity and value of the crops ?

97. In some countries detailed statistics are collected in the case of the more important industries every year. Which industries in India would you place in this category ?

SPECIAL ENQUIRIES.

98. In such matters as indebtedness, cost of living, fragmentation of holdings, etc., do you think special intensive enquiries might be continued under the direction of provincial statistical organizations during intervals between the periodical surveys ?

99. Should the information collected at the initial survey be published for each village, town and city with abstracts for economic tracts and provinces and when possible, for the whole of India ?

100. If so, would you recommend among other publications an official Year Book of India similarly to those published for the Dominions ?

101. The Department of Statistics (now part of the Commercial Intelligence Department) has very little responsibility for the collection of statistics and only a limited responsibility for their form. At the same time there exist statistical sections in various departments of administration. Would you advocate the adoption of a comprehensive scheme for co-ordinating and centralizing statistics in British India as has been carried out in the Dominions ?

ORGANISATION.

102. Following the example of the Dominions, do you think it would be desirable for Central and Provincial Bureaux of Census and Statistics with branch offices in districts to be created for the purpose of collecting economic data and the co-ordination of statistics ? If not, what other form of organisation would you suggest ?

103. Within the district, should the village, town and city be the unit of compilation, as in the Population Census ?

LEGISLATION.

104. To establish these Bureaux and to equip them with statutory powers for obtaining the necessary information, would you advise the passing of a legislative measure on the lines of the Census and Statistics Acts in force in the Dominions ?

Cost.

105. Do you approve of the suggestion that the cost of the proposed Imperial Bureau of Census and Statistics should be met from the Central Revenues and that of the Provincial Bureaux and the District offices from the revenues of the provinces concerned ?

106. How do you think the cost of (*a*) the initial economic survey and (*b*) the recurring charges should be shared ?

107. Are you of opinion that the Municipalities should defray the cost of operations within their areas as in the case of the population census ?

108. Do you think that (*a*) the District Boards and (*b*) the villages would be willing in any part of the country to defray the whole or part of the cost of such operations ?

APPENDIX A.

Rural occupations.	Urban occupations.
I.—Agriculture—	I.—Industries—
Rent receivers.	Transport.
Rent payers.	Exploitation of Minerals.
Peasant proprietors.	Plantations (Tea, coffee, indigo, cinchona).
Farm servants.	Forestry.
Field labourers.	Public Force.
	Domestic Service.
	Trade—
	(1) Direction, supervision and clerical staff :—
	(*a*) Managers,
	(*b*) Supervising and technical staff.
	(*c*) Clerical staff.
	(2) Skilled workmen.
	(3) Unskilled labourers.
II.—Pastured and Raising of Farm Stock, Fishing and Hunting—	II.—Professional Men.
Skilled.	
Unskilled.	
III.—Village Craftsmen.	III.—Unproductive—
	Old and infirm.
	Incapacitated.
	Persons living on their own income (*e.g.*, pensioners, jagirdars, proprietors of houses).
	Living on charity.
	Inmates of jails (those not at work), asylums and alms-houses.
	Professional beggars.

APPENDIX A-2.

NATURAL DIVISIONS OF INDIA.

Classification by Sir Edward Gait.

(Census of India, 1911, Vol. 1, Part 1—Report.)

Natural Division.	Rainfall Divisions included.	Administrative Divisions included.
I. Lower Burma	Lower Burma	Arakan, Pegu, Irrawaddy and Tenasserim Divisions.
II. Upper Burma	Upper Burma	Magwe, Mandalay, Sagaing and Meiktila Divisions; the Northern and Southern Shan States; Pakokku Hill Tracts and Chin Hills.
III. Assam	Assam	The Province of Assam.
IV. Bengal	Eastern Bengal	The Presidency of Bengal (except Darjeeling) and Sikkim.
V. Orissa and Madras Coast, North.	Bengal. Orissa .. .. Madras Coast, North.	Orissa Division with Orissa Tributary States; districts of Ganjam, Vizagapatam, Godavari, Kistna, Guntur and Nellore.
VI. Bihar and United Provinces East.	Bihar and United Provinces, East ..	Patna, Tirhut and Bhagalpur Divisions and the district of Darjeeling; Lucknow, Benares, Gorakhpur, Allahabad (except Jalaun and Jhansi and Fyzabad Divisions, and districts of Pilibhit, Shahjahanpur and Farrukhabad.
VII. United Provinces, West, and Punjab, East and North	United Provinces, West	Meerut, Kumaun, Rohilkhand (except Shahjahanpur and Pilibhit districts) and Agra (excluding Farrukhabad district) Divisions; the districts of Jalaun and Jhansi, and the States of Rampur and Tehri Garhwal; Delhi, Jullundur, Lahore, Rawalpindi (except Shahpur and Mianwali) Divisions and all Native States in the Punjab, except Bahawalpur.
VIII. Kashmir	Kashmir	Kashmir.
IX. The North-West Dry Area .	Punjab, South-West .. .. North-West Frontier Province. Sind. Rajputana-West.	Multan Division (including the Biloch Transfrontier), the districts of Shahpur and Mianwali, and Bahawalpur State); North-West Frontier Province; Sind with Khairpur State; Bikaner, Jaisalmir and Marwar.
X. Baluchistan	Baluchistan	Baluchistan.
XI. Rajputana, East, and Central India, West.	Rajputana, East .. .. .. Central India, West.	Ajmer-Merwara; all States in Rajputana Agency (except Bikaner, Jaisalmir and Marwar), Indore and Gwalior Residencies, and the Agencies of Bhopawar, Malwa and Bhopal.
XII. Gujarat	Gujarat	Bombay Northern Division (except Thana); Cambay, Cutch, Kathiawar and the Agencies of Palanpur, Mahikantha, Rewakantha and Surat; Baroda.
XIII. Central India, East, Central Provinces and Berar and Chota Nagpur.	Central India, East .. .. .. Central Provinces, West. Central Provinces, East. Berar. Chota Nagpur.	Bundelkhand and Baghelkhand Agencies, Central Provinces and Berar, and Chota Nagpur Division of Bihar and Orissa with Chota Nagpur States.
XIV. The Deccan	Bombay, Deccan .. .. .. Hyderabad, North. Hyderabad, South. Mysore with Coorg. Madras, Deccan.	Bombay Central Division; the districts of Belgaum, Bijapur and Dharwar, the States of Akalkot, Bhor, Surgana, Kolhapur, S. M. Jaghirs and Savanur, and the Agencies of Khandesh, Satara and Bijapur; Hyderabad; Mysore and Coorg; the Madras districts of Bellary, Kurnool, Anantapur and Cuddapah and the States of Sandur and Banganapalle.
XV. Malabar and Konkan ..	Malabar .. .. Konkan.	The Madras districts of South Canara, Anjengo and Malabar (excluding Laccadives) and the States of Cochin and Travancore; Bombay City; the districts of Thana, Kolaba, Ratnagiri and Kanara, and the States of Janjira, Jawahar and Savantvadi.
XVI. Madras, South-East ..	Madras, South-East	Districts of Madras, Chingleput, Chittoor, North Arcot, Salem, Coimbatore, South Arcot, Tanjore, Trichinopoly, Madura, Ramnad, Tinnevelly, Nilgiris and the State of Pudukottai.

APPENDIX A-3.

Division of India into Economic Circles.

Classification by Mr. K. L. Datta.

(Report on the Enquiry into the Rise of Prices in India, 1914. (Volume 1.)

Administration or Province.	Economic Circles.	Districts comprised in each Circle.
Assam	Assam	Brahmaputra Valley— Lakhimpur, Sibsagar, Nowgong, Darrang, Kamrup, Goalpara.
		Surma Valley— Sylhet, Cachar.
		Hill Districts— Garo Hills, Khasi and Jaintia Hills, Naga Hills, Lushai Hills.
Bengal	Bengal, Northern and Eastern ..	North Bengal— Jalpaiguri, Rangpur, Dinajpur, Malda, Rajshahi, Bogra, Pabna.
		East Bengal— Mymensingh, Dacca, Tipperah, Faridpur.
Bengal with Orissa	Bengal, Southern and Western ..	Southern Bengal— Chittagong, Noakhali, Backergunge, Khulna, 24 Parganas.
		Central Bengal— Murshidabad, Nadia, Jessore.
		Western Bengal— Birbhum, Burdwan, Bankura, Hughli, Howrah, Midnapur.
		Orissa— Balasore, Cuttack, Puri, Angul.
Bihar and Orissa	Chota Nagpur	Singhbhum, Manbhum, Ranchi, Hazaribagh, Palamau.
Bihar with Darjeeling	Bihar	North Bihar— Champaran, Saran, Muzaffarpur, Darbhanga, Monghyr (part), Bhagalpur (part), Purnea, Darjeeling.
		South Bihar— Shahabad, Patna, Gaya, Monghyr (part), Bhagalpur (part), Sonthal Parganas.
United Provinces of Agra and Oudh.	Agra Province, East	Eastern Districts— Mirzapur, Benares, Jaunpur, Ghazipur, Ballia, Azamgarh.
		Sub-montane Districts— Gorakhpur, Basti.
Do. do. ..	Bundelkhand	Jhansi, Jalaun, Hamirpur, Banda.
Do. do. ..	Agra Provinces, North and West, including Oudh.	The Doab— Saharanpur, Muzaffarnagar, Meerut, Bulandshahr, Aligarh, Muttra, Agra, Etah, Mainpuri, Farrukkabad, Etawah, Cawnpore, Fatehpuro, Allahabad.
		Hill Districts— Dehra Dun, Garhwal, Almora, Nainital.
		Central Districts— Bijnour, Moradabad, Budaon, Bareilly, Pilibhit, Shahjahanpur.
		Oudh— Kheri, Bahraich, Gonda, Fyzabad, Barabanki, Sitapur, Hardoi, Unao, Lucknow, Rae-Bareilly, Sultanpur, Partabgarh.

Administration or Province.	Economic Circles.	Districts comprised in each Circle.
Punjab with Delhi	Punjab, East	Jetch Doab— Shahpur, Gujrat.
		Rechna Doab— Lyallpur, Jhang, Gujranwala, Sialkot.
		Bari Doab— Multan, Montgomery, Lahore, Amritsar, Gurdaspur.
		Eastern Districts— Hoshiarpur, Jullundur, Ludhiana, Ferozepur, Hissar, Rohtak, Gurgaon, Delhi, Karnal, Ambala.
		Hill Districts— Kangra, Simla.
Punjab and North-West Frontier Province.	Punjab, West	East of Indus— Muzaffargarh, Mianwali, Attock, Jhelum, Rawalpindi, Hazara.
		Trans-Indus— Peshawar, Kohat, Bannu, Dera Ismail Khan, Dera Ghai Khan.
Bombay	Sind	Upper Sind Frontier, Sukkur, Larkana, Karachi, Hyderabad, Thar and Parkhar.
Do.	Gujarat	Panchmahals, Ahmedabad, Kaira, Broach, Surat.
Do.	Konkan	Thana, Kolaba, Ratnagiri, Kanara.
Do.	Deccan	Khandesh— West Khandesh, East Khandesh.
		Deccan Plateau— Nasik, Ahmednagar, Poona, Satara, Sholapur.
		Karnatak— Bijapur, Dharwar, Belgaum.
Central Provinces	Berar	Buldana, Akola, Amraoti, Yeotmal.
Central Provinces with Sambalpur.	Central Provinces	Nerbudda Valley— Hoshangabad, Narsinghpur, Saugor, Damoh, Jubbulpore, Mandla.
		Waingunga and Mahanadi Basins— Seoni, Chanda, Balaghat, Bhandara, Drug, Raipur, Bilaspur, Sambalpur.
		South-Western Districts— Nimar, Betul, Chhindwara, Nagpur, Wardha.
Madras	Madras, North-East	Ganjam, Vizagapatam, Godavari, Kistna, Guntur, Nellore.
Do.	Madras, North	Bellary, Kurnool, Anantapur, Cuddapah.
Do.	Madras, South	Central Districts— Chittoor, Chingleput, North Arcot, South Arcot.
		Cauvery Valley— Salem, Coimbatore, Trichinopoly, Tanjore.
		Southern Districts— Madura, Ramnad, Tinnevelly.
Marasd with Coorg	Madras, West	Nilgiris, Malabar, Coorg, South Canara.

APPENDIX B.

METHOD OF CROP REPORTING IN INDIA.

The Existing System and its Defects.

Estimates of outturn of crops in India are based on three factors. These are (1) the area, (2) the standard normal outturn per acre, and (3) the estimate representing the relation of the year's crop to the normal per acre. This last is known as the "condition estimate." The quantitative yield of a crop is arrived at by multiplying these factors with each other.

2. As regards *area*, the reporting agency in most provinces is the Patwari (village accountant) or corresponding local revenue officer, and he is capable of reporting the area with accuracy. Such is the practice where the fields have been mapped out and surveyed. There are certain tracts, *e.g.*, permanently settled areas, lands held on privileged tenures and unsurveyed areas, where no trained revenue agency exists, and in these, the estimates of area are more or less conjectural, but steps are taken to revise the figures from time to time by careful comparison with the conditions in the adjoining areas of a similar character for which accurate statistics are available. Estimates of areas under mixed crops are also more or less conjectural, being based on formulæ prescribed by Provincial authorities.

3. On the whole, the figures of area are sufficiently accurate and are stated by the late Mr. Stuart to be better than the corresponding American figures. In America a detailed census of areas of crops grown is taken only once in 10 years and there is no attempt to obtain actual areas for forecasts. There are, however, the two instances mentioned above in which errors are possible in the area estimates reported in India. Instances have also occurred in which patwaris have failed to report area figures in time.

4. The second factor, *the standard normal outturn per acre*, is based on crop cutting experiments and on local estimates in some districts. A statement of the normal yield per acre of land of average quality is maintained in each province by the Agricultural Department. This is tested by crop cutting experiments conducted annually on selected plots of land of average quality. The results of the experiments are carefully scrutinized by the Head of the Provincial Agricultural Department who, after further investigations, revises the standards, if necessary. Such revision is usually made once in five years.

5. The true normal is of a visionary character and difficult to determine. In India several attempts have been made to define it and the briefest definition framed appears to be " the average yield on average soil in a year of average character." The figures of normal yield obtained in India have been generally admitted to be unreliable.

6. As regards the third factor, *the condition estimate*, the practice in most districts in India is to take a certain number of annas as representing a normal crop and to estimate the outturn of the year as so many annas higher or lower than that normal. The anna standard, however, has no fixed or uniform value, as the number of annas taken to represent a normal crop is generally sixteen but in some tracts it is twelve. Consequently, the anna estimate is converted into a percentage estimate in accordance with the American notation, 100 being taken to represent a normal crop.

7. The system of making estimates in India has been found in some parts of the country to be very defective. The estimates are for the most part guess work and the tendency is generally to under-estimate a good crop.

APPENDIX C.

Yield (*quantity and value*) is required of the following :—

(1) Ragi arhar, barbati, lobia, mung, kulthi, urad, field gram, cheik, lentils, cheena, kangni, kodo or varagu, kutki, kuhudi, peas, pigeon or bottle grass, swank or shama, chickling vetch, buck wheat, wudalu or barti.

(2) Vegetables.

(3) Fruit (No. of bearing and non-bearing trees, quantity and value of fruit yielded).

(4) Condiments and spices.

(5) Sugar, other than sugarcane (*i.e.*, date palm, palmyra palm).

(6) Other food crops (amaranths, arrowroot, kirni, mahua).

(7) Cocoanut.

(8) Other oilseeds (dill or sowa, mast wood, neerali, niger seed, sunflower, unda).

(9) Other fibres (agave, sunn hemp, Deccan hemp, sisal hemp, kapok, korai, rhea, sabai grass, swallow-wort).

(10) Other dyes and tanning materials (arnatto, chayroot, divi-divi, henna, madder, morinda, safflower, saffron).

(11) Opium (obtainable from Excise statistics).

(12) Tobacco.

(13) Cinchona.

(14) Indian hemp.

(15) Other drugs and narcotics.

(16) Fodder crops including oats.

(17) Miscellaneous non-food crops (*e.g.*, mulberry).

(18) Pan leaf.

(19) Dried fruit (? whether it should be included under the "food" group of "cottage industries") including raisins and currants.

APPENDIX D.

List of Forest Products.

(1) *Timber.*

(2) *Fuel.*

(3) *Charcoal.*

(4) *Fibres.*

(*a*) From leaves, *e.g.*, "Kittal" fibre from Sago Palm leaves, Sisal fibre from the Agave plant,

(*b*) Stem and bast fibres, *e.g.*, Kumbi, Dhamin.

(5) *Grasses.*

(*a*) Fibre grasses,
(*b*) Thatching grasses,
(*c*) Grazing and Fodder grasses,
(*d*) Others, *e.g.*, Khas-khas.

(6) *Distillation Products.*

(*a*) Wood-oils, *e.g.*, Sandal-wood oil, tar-oil from teak, Deodar oil,
(*b*) Grass-oils, *e.g.*, Lemon-grass oil,
(*c*) Cutch and Kath,
(*d*) Camphor,
(*e*) Cinnamon-oil.

(7) *Seeds.*

(*a*) Edible, *e.g.*, Grass-seeds, Bamboo seed,
(*b*) Oil, *e.g.*, Mohwa oil (used for for adulterating ghee), Kosum oil, Walnut oil,
(*c*) Medical,
(*d*) Soap nut.

(8) *Bark.*

(*a*) Tanning, *e.g.*, Babul, Sunari bark from the Laburnum,
(*b*) Dyeing, *e.g.*, Casuarina,
(*c*) Medical, *e.g.*, Kura, Neem, Cinchona, Indian Red Wood,
(*d*) Substitute for tea, *viz.*, Yew.

(9) *Wood Dyes, e.g.*, Red Sanders.

(10) *Fruit.*

(*a*) Edible, *e.g.*, Jack, Mango, Walnut, Jaman, Mangosteen,
(*b*) Tanning, *e.g.*, Myrabolams,
(*c*) Medical, *e.g.*, Bael.

(11) *Leaves.*

(*a*) Edible,
(*b*) Cigarettes, *e.g.*, Tendu,
(*c*) Food for cattle, goats, sheep, horses, *e.g.*, Anjan,
(*d*) Tanning, *e.g.*, Dhaura,
(*e*) Thatching, *e.g.*, Palm.

(12) *Roots.*

(*a*) Edible,
(*b*) Medical, *e.g.*, " Jaman, "
(*c*) Dyeing.

(13) *Flower.*

(*a*) Liquor, *e.g.*, Mohwa,
(*b*) Dyeing, *e.g.*, Palas, dye from the Toon flower.

(14) *Spices, e.g.*, Cardamoms.

(15) *Bamboos and Canes.*

(16) *Gums and Gum Resins e.g.*, Gum-kino, Dhaura, Mohin,

(*a*) Resins, *e.g.*, Sal, Thingan,
(*b*) Oleo-Resin, *e.g.*, " Gurjan " Oil,
(*c*) Pine-Resin, *e.g.*, Chir, Blue Pine,
(*d*) Turpentine,
(*e*) Resin.

(17) *Rubber.*

(18) *Animal Products.*

(*a*) Lac,
(*b*) Honey,
(*c*) Bees' Wax,
(*d*) Cocoons,
(*e*) Elephants,
(*f*) Ivory,
(*g*) Horns and skins.

(19) *Sawdust, e.g.*, Sandal wood for scenting clothes.

(20) *Miscellaneous Minor Products, e.g.*, Mica.

APPENDIX E.

The minerals for which regularly recurring and full particulars cannot be procured are :—

Alum.
Amber.
Apatite.
Asbestos.
Barytes.
Bauxite (Aluminium).
Building materials.
Clays.
Fuller's earth.
Gypsum.
Hyalite.
Ilmenite.
Ochre.
Soda.
Steatite.
Zircon.

No returns for the year 1923 *are given in the case of the following among other minerals:-*

Agate.
Amethyst.
Antimony.
Aquamarine.
Arsenic.
Alunogen.
Blue vitriol, copperas and magnesium sulphate.
Borax.
Bismuth.
Building stone (Common)—
Slates †.
Limestones.
Basalt.
Granite.
Sandstones.
Kankar.
Laterite.
Marble *.

Building materials—(*e.g.*, Dolomite, Gneiss, etc.)
Cobalt.
Corundum*.
Celestite.
Fluor spar.
Graphite †.
Garnet.

* Incomplete returns were given in the last Quinquennial Review of Mineral Production, 1914-1918.
† Approximately trustworthy returns were given in the last Quinquennial Review of Mineral Production, 1914-1918.

Glass making materials (sands and efflorescent alkali salts).
Lignite.
Lithographic stone.
Molybdenum.
Mercury.
Mineral waters.
Nickel.
Phosphates.
Peat.
Potash salts.
Precious stones—(*e.g.*, Opal, Turquoise, Topaz, etc.)
Rock crystal.
Rose quartz.

Refractories—
Fire-clay.
Kaolin.
Quartzite.
Sillimanite.
Kyanite.

Rare minerals—(*e.g.*, Pitchblende, Platinum and Iridosmine, etc.)
Sulphur.
Sulphate of soda.
Sulphite ores.
Strontium.
Titanium.
Uranium.
Vanadium.

APPENDIX F. (1)

List of large Industrial Establishments for which Statistics are available.

For all Establishments—
The number of employees.

For Breweries—
(i) Number.
(ii) Production in gallons.

For Cotton Mills—
(i) Number.
(ii) Authorised Capital, Paid-up Capital and Debentures.
(iii) No. of looms.
(iv) No. of spindles.
(v) Quantity and counts of yarn produced.
(vi) Quantity and value of woven goods.
(vii) Amount of Excise Duty.

For Jute Mills—
(i) Number.
(ii) Capital Authorised, Paid-up, Debentures.
(iii) No. of looms.
(iv) No. of spindles.

For Paper Mills—
(i) Number.
(ii) Authorised Capital.
(iii) Quantity and value of production.

For Woollen Mills—
(i) Number.
(ii) Authorised Capital.
(iii) No. of looms.
(iv) No. of spindles.
(v) Quantity and value of production.

For Distilleries—
(i) Number.
(ii) Total Issues.

APPENDIX F. (2).

Statistics are not available for—

(i) *Textiles—*
Clothing agencies and factories.
Coir mat and matting works.
Cotton spinning and weaving establishments not classed as mills.
Cotton waste factories.
Dress making and military establishments.
Hosiery factories.
Fancy embroidery-chicon.
Jute mills.
Gold or silver thread works.
Shawl weaving establishments.
Sewing thread factories.
Silk mills.
Silk weaving establishments.
Tent factories.
Tailoring establishments.
Woollen carpet weaving establishments.
Woollen weaving factories.

(ii) *Minerals—*
Agricultural machinery.
Aluminium factories.
Coke manufacturing works.
Colliery workshops.
Copper ore crushing works.
Enamel-ware works.
Gold cyanide works.
Gold washing works.
Galvanized-ware, tin-ware and steel-trunk factories.
Iron and brass works and foundries.
Iron and steel producing works.
Lock and cutlery works.
Metal works.
Mica splitting works.
Oil pumping stations.
Petroleum refineries.
Saltpetre refineries.
Sheet metal works.

(iii) *Transport*—
Dockyards.
Engineering works.
Harbour works.
Port Trust workshops.
Railway workshops.
Ship and boat building and repairing works.
Tramway works.

(iv) *Food, drink and tobacco*—
Bakeries.
Bidi or Biri works.
Biscuit factories.
Butter and cheese factories.
Coffee works.
Dairy farms.
Decorticating factories.
Flour mills
Fruit preserving and canning factories.
Ice, mineral and aerated water factories.
Jam and condiment factories.
Opium factories.
Ham and bacon curing.
Rice mills.
Sugar mills and refineries.
Tobacco, cigar and cigarette factories.

(v) *Chemicals, dyes, etc.*—
Bone crushing mills.
Candle factories.
Chemical works.
Camphor works.
Dye works.
Fish oil factories.
Lac factories.
Oil mills.
Paint works.
Printing ink works.
Soap factories.
Tar distilleries.
Turpentine factory.

(vi) *Paper and printing*—
Book-binding works.
Printing presses.

(vii) *Processes relating to wood, stone and glass*—
Bobbin factories.
Building and contracting.
Carpentry.
Cement works.
China or porcelain works.
Coach building and motor car repairing works.
Furniture workshops.
Glass factories.
Lime works.
Potteries.
Saw mills.
Stone works.
Tile and brick factories.
Miscellaneous.

(viii) *Processes connected with skins and hides*—
Leather factories (including boot and shoe, saddlery and harness factories).
Boot and shoe repairing establishments.
Tanneries.
Tanning extract works.

(ix) *Miscellaneous*—
Arms and Ammunition.
Arsenals.
Brush and Broom works.
Canal foundries and workshops.
Cotton ginning, cleaning and pressing mills.
Despatch box manufactories.
Electrical engineering workshops.
Electric light and power stations.
Engineering workshops.
Fish curing yards and preserving works.
Forage presses.
Galvanizing works.
Gas works.
Gun carriage factories.
Jewellery workshops.
Jute presses.
Kerosene tinning and packing works.
Manure works.
Match factories.
Mathematical instrument factories.
Mechanical transport repair workshops.
Mints.
Motor works.
Musical instrument factories.
Municipal workshops.
Postal workshops.
Rope and twine works.
Rubber works.
Sappers and miners workshops.
Silk filatures.
Slaughter yards.
Sports requisites factories.
Stores factories.
Surgical instrument factories.
Telegraph works.
Umbrella factories.
Water works.
Miscellaneous (not enumerated above).

APPENDIX G

(a) *The Occupational Classification Adopted at the Indian Census of* 1921.

(A) Production of raw materials.	(B) Preparation and Supply of material substances.	(C) Public administration and liberal arts.	(D) Miscellaneous.
(I) *Exploitation of animals and vegetation*— 1. Pasture and agriculture— (*a*) Ordinary cultivation, (*b*) Growers of special products and market gardening, (*c*) Forestry, (*d*) Raising of farm stock, (*e*) Raising of small animals. 2. Fishing and hunting; (II) *Exploitation of minerals*— 1. Mines. 2. Quarries of hard rocks. 3. Salt, etc.	(III) *Industry*— 1. Textiles. 2. Hides, skins and hard materials from the animal kingdom. 3. Wood. 4. Metals. 5. Ceramics. 6. Chemical products properly so called, and analogous. 7. Food industries including dairies. 8. Industries of dress and the toilet. 9. Furniture industries. 10. Building industries. 11. Construction of means of transport. 12. Production and transmission of physical forces (heat, light, electricity, motive power, etc.) 13. Other miscellaneous and undefined industries. (IV) *Transport*— 1. Transport by air. 2. ,, ,, water. 3. ,, ,, road. 4. ,, ,, rail. 5. Post office, telegraph and telephone services. (V) *Trade*— 1. Banks, establishments of credit, exchange and insurance. 2. Brokerage, commission and export. 3. Trade in textiles. 4. ,, ,, skins, leather and furs. 5. ,, ,, wood; 6. ,, ,, metals. 7. ,, ,, pottery, bricks and tiles. 8. ,, ,, chemical products. 9. Hotels, cafes, restaurants, etc. 10. Other trade in foodstuffs. 11. Trade in clothing and toilet articles. 12. ,, ,, furniture. 13. ,, ,, building materials. 14. ,, ,, means of transport. 15. ,, ,, fuel. 16. ,, ,, articles of luxury and those pertaining to letters, arts and sciences. 17. Trade of other sorts.	(VI) *Public Force*— 1. Army. 2. Navy. 3. Air force. 4. Police. (VII) *Public administration.* (Order 45.) (VIII) *Professions and liberal arts*— 1. Religion. 2. Law. 3. Medicine. 4. Instruction. 5. Letters and arts and sciences.	(IX) *Persons living principally on their income.* (Order 51.) (X) *Domestic service.* (Order 52.) (XI) *Insufficiently described occupations.* (XII) *Unproductive*— 1. Inmates of jails, asylums and alms-houses. 2. Beggars, vagrants and prostitutes. 3. Other unclassified non-productive industries.

(b) *The Classification given in "Large Industrial Establishments in India" published by the Department of Statistics.*

I.—*Textiles*—
- Clothing agencies.
- Cotton mills.
- Cotton spinning and weaving establishments not classed as mills.
- Hosiery factories.
- Jute mills.
- Silk mills.
- Woollen carpet weaving establishments, not classed as mills.
- Woollen mills.
- Miscellaneous.

II.—*Minerals*—
- Aluminium factories.
- Colliery workshops.
- Iron and brass foundries.
- Iron and steel producing works.
- Lock and cutlery works.
- Gold washing works.
- Metal works.
- Mica works.
- Petroleum refineries.
- Miscellaneous.

III.—*Transport*—
- Dockyards.
- Harbour works.
- Railway workshops and other factories.
- Shipbuilding and engineering works.
- Tramway works.

IV.—*Food, drink and tobacco*—
- Bakeries.
- Biscuit factories.
- Breweries.
- Coffee works.
- Dairy farms.
- Distilleries.
- Flour mills.
- Ice and mineral and aerated water factories.
- Opium factories.
- Pulse factories.
- Rice mills.
- Sugar factories.
- Tobacco factories.
- Miscellaneous.

V.—*Chemicals, dyes, etc.*—
- Bone-crushing mills.
- Chemical works.
- Dye works.
- Lac factories.
- Oil mills.
- Paint works.
- Soap factories.
- Turpentine factories.
- Miscellaneous.

VI.—*Paper and printing*—
- Paper mills.
- Printing presses.
- Book-binding works.
- Miscellaneous.

VII.—*Processes relating to wood, stone and glass*—
- Carpentry.
- Cement works.
- Coach building and motor car repairing works.
- Furniture works.
- Glass factories.
- Potteries.
- Saw mills.
- Stone works.
- Tile and brick factories (including surkhi mills).
- Lime works.
- Miscellaneous.

VIII.—*Processes connected with skins and hides*—
- Leather works.
- Tanneries.
- Miscellaneous.

IX.—*Miscellaneous*—
- Aeroplane workshops.
- Arms and ammunition.
- Arsenals.
- Brush works.
- Button factories.
- Canal foundries and workshops.
- Canvas water proofing factories.
- Cotton ginning, cleaning and pressing mills.
- Electrical engineering works.
- Engineering workshops.
- Forage presses.
- Galvanizing works.
- Gas works.
- Gun carriage factory.
- Jewellery workshops.
- Jute presses.
- Kerosene tinning and packing works.
- Manure works.
- Match factories.
- Mathematical instrument factories.
- Mechanical transport repair workshops.
- Mints.
- Municipal workshops.
- Motor works.
- Packing box factories.
- Port Trust workshops.
- Postal workshops.
- Reed and comb factories.
- Rope works.
- Rubber works.
- Sappers and miners workshops.
- Silk filatures.
- Store works.
- Surgical instrument factories.
- Telegraph works.
- Umbrella factories.
- Water works.
- Miscellaneous (not enumerated above).

(c) *Classification of Industries Adopted by the Dominions.*

Canada.	South Africa.	New Zealand.	Australia.
1. Vegetable products.	1. Treatment of raw material the product of agricultural and pastoral pursuits (excluding tanning).	1. Animal food.	1. Treating raw material, product of agricultural and pastoral pursuits, etc.
2. Animal products.	2. Processes in stone, clay, earthenware and glass.	2. Vegetable food.	2. Treating oils and fats, animal, vegetable, etc.
3. Textiles and textile products.	3. Working in wood.	3. Drinks, narcotics and stimulants.	3. Processes in stone, clay, glass etc.
4. Wood and paper.	4. Metal, engineering, machinery, and cutlery works.	4. Animal matters (not otherwise classed).	4. Working in wood.
5. Iron and steel products.	5. Preparation, treatment, and preserving of food, drink, condiments, and tobacco.	5. Working in wood.	5. Metal works, machinery, etc.
6. Non-ferrous metals and their products.	6. Production of clothing (excluding boots and shoes), textile fabrics and similar articles.	6. Vegetable produce for fodder.	6. Connected with food and drink, etc.
7. Non-metallic mineral products.	7. Books, paper, printing and engraving.	7. Paper manufactures.	7. Clothing and textile fabrics, etc.
8. Chemical and allied products.	8. Vehicles (mechanically propelled and otherwise), fittings for and parts of vehicles.	8. Heat, light and power.	8. Books, paper, printing and engraving.
9. Miscellaneous industries.	9. Ship and boat building and repairing.	9. Processes relating to stone, clay, glass, etc.	9. Musical instruments, etc.
10. Construction, hand trades and repairs.	10. Furniture, bedding and upholstery.	10. Metals other than gold or silver.	10. Arms and explosives.
	11. Drugs, chemicals (including fertilizers and by-products), paints, varnishes and allied products.	11. Precious metals.	11. Vehicles and fittings, saddlery and harness, etc.
	12. Surgical, dental and other scientific instruments and appliances.	12. Books and publications.	12. Ship and boat building and repairing.
	13. Jewellery, timepieces and platedware.	13. Musical instruments.	13. Furniture, bedding and upholstery.
	14. Heat, light and power.	14. Ornaments and minor art products.	14. Drugs, chemicals and by-products.
	15. Leather and leatherware.	15. Equipment for sports and games.	15. Surgical and other scientific instruments.
	16. House building.	16. Designs, medals, type and dies.	16. Jewellery, timepieces and platedware.
	17. Other industries.	17. Ammunition and explosives and fireworks making.	17. Heat, light and power.
		18. Machines, tools and implements.	18. Leatherware.
		19. Carriages and vehicles.	19. Minor wares.
		20. Harness, saddlery and leatherware.	
		21. Ships, boats and their equipment.	
		22. House-furnishings.	
		23. Chemicals and by-products.	
		24. Textile fabrics.	
		25. Apparel.	
		26. Fibrous materials.	
		27. Miscellaneous (not included above).	

APPENDIX H.

DETAILED CLASSIFICATION OF COTTAGE INDUSTRIES.

1. TEXTILES.

(a) *Cotton Industry.*—
- (i) Hand cleaning,
- (ii) Hand ginning,
- (iii) Hand spinning,
- (iv) Hand weaving,
- (v) Durrie weaving,
- (vi) Carpet weaving,
- (vii) Hosiery,
- (viii) Cotton rope, twine and string,
- (ix) Tents,
- (x) Newar tap, etc.

(b) *Silk Industry*—
- (i) Sericulture,
- (ii) Reeling,
- (iii) Carding,
- (iv) Spinning,
- (v) Weaving,
- (vi) Embroidery work.*

(c) *Woollen Industry*—
- (i) Carding,
- (ii) Spinning,
- (iii) Weaving of shawls, dhusa, lohis, pattu, blankets, etc.,
- (iv) Felt (namda) making,
- (v) Weaving of woollen carpets and durries.

(d) *Other Fibres (cocoanut, aloes, flax, hemp, jute, straw, reed, khajur bark, etc.)*—
- (i) Rope and string, etc.,
- (ii) Mats,
- (iii) Tat weaving.

(e) *Dyeing and Calico Printing*—
- (i) Dyeing,
- (ii) Calico printing, *e.g.*, chintz, curtains, bed covers, table cloths, etc.

(f) *Gold and Silver wire weaving and allied Industry*†—
- (i) Gota weaving,
- (ii) Lace weaving,
- (iii) Zardozi work,
- (iv) Kamdani work,
- (v) Kamkhwab weaving.

2. TANNING AND LEATHER MANUFACTURE.

- (i) Tanning, leather dressing, dyeing, etc.,
- (ii) Leather articles, *e.g.*, water bags, buckets, shoes, boots, buttons, suit and attaché cases.

3. SOAP AND OIL INDUSTRY.

- (i) Vegetable and seed oils,
- (ii) Perfumed oils,
- (iii) Scents and perfumes,
- (iv) Country dhobis' soap,
- (v) Country toilet soap.

4. METALS.

(a) *Brass and copper*—
- (i) Manufacture of domestic vessels by moulding,
- (ii) Manufacture of domestic vessels by beating sheet brass,
- (iii) Manufacture of tin-plated utensils,
- (iv) Manufacture of artistic brass wares by engraving (*Siahah Kalam* work),
- (v) Manufacture of artistic brass wares by embossing, *e.g.*, Benares brass wares,
- (vi) Lock manufacture,
- (vii) Brass jewellery.

(b) *Iron, steel and minor metals*—
- (i) Utensils from sheet iron.
- (ii) Implements and tools,
- (iii) Cutlery, scissors, etc.,
- (iv) Steel trunks,
- (v) Locks and safes,
- (vi) Nails, hinges, screws, etc.,
- (vii) Aluminium articles,
- (viii) German silver household utensils, jewellery, etc.

5. WOOD, CANE, BAMBOO, REEDS, ETC., INDUSTRIES.

- (i) Coach building,
- (ii) Carts and ploughs,
- (iii) Boat building,
- (iv) Palkis,
- (v) Furniture,
- (vi) Casks,

*NOTE :—(i) The different branches of the Benares and Surat silk embroidery industry may be classified as follows: (*a*) Tarkashi or wire makers and gilders, (*b*) Silver or gold thread or Kalabatun makers, (*c*) Dyers, ( ) Designers and (*e*) Weavers.

(ii) Among the silk weavers there are three kinds of workers—

(*a*) Weavers of ordinary silk cloth such as Kashi silk, sari and dupatta workers.

(*b*) Kamkhwab, pot, amru, mashru, etc., workers.

(*c*) Brocade weavers.

†NOTE :—The gold and silver wire and allied industry may conveniently be treated here. The various branches of this cottage industry are—

(1) *Kandila, i.e.*, beating out of a piece of plain silver or silver plated with gold leaf into thick wire.

(2) *Tarkashi, i.e.*, the process of lengthening out the thick wire into thin wire or thread, the thinness being regulated according to the purposes for which it is wanted.

(3) *Tardabkana, i.e.*, the flattening of the thin wire to produce what is known as 'badla' used for making lace or Kamdani.

(4) *Kalabatun, i.e.*, the making or twisting of the gold or silver thread round fine silk or cotton thread to produce a composite twist which is used in the weaving of brocade or similar material.

(5) The manufacture of "Salma" (wire curled into spiral form) and "Sitara" (stars and spangles) used for embroidery.

(6) The weaving of gota with silk or cotton warp and "badla" woof.

(7) *Zardozi, i.e.*, embroidery on fine cotton, silk or velvet cloth with "Salma Sitara."

(8) *Kamdani, i.e.*, embroidery on cotton silk or velvet with gold or silver wire and thread.

The artisans confine themselves as a rule to only one branch of the industry.

(vii) Wood turning and lacquer work,
(viii) Wood and ebony carving,
(ix) Combs,
(x) Tarkashi working, *i.e.*, inlaying of brass wire in wood locally,
(xi) Wooden toys, *e.g.*, in Benares and Chanapatna (Mysore State),
(xii) Bamboo and cane work, *e.g.*, bamboo and cane furniture, baskets, etc.,
(xiii) Moonj basket work,
(xiv) Khajur and tar fans,
(xv) Painting,
(xvi) Upholstery,
(xvii) Sawing.

6. Stone and Building Industries.

(i) Stone cups, plates, tumblers, buttons, etc.,
(ii) Mills or hand chakkis,
(iii) Inland stone working,
(iv) Stone cutting and dressing.
(v) Stone engraving,
(vi) Well sinking,
(vii) Masonry-work,
(viii) Brick laying,
(ix) Tile manufacturing.

7. Ceramics.

(i) Glass bangles and phials,
(ii) Lac bangles, necklaces, etc.,
(iii) Manufacture of blown and moulded articles, *e.g.*, flasks for pilgrims to carry Ganges water, jars, chimneys, vases, etc.,
(iv) Common domestic pottery,
(v) Coloured and glazed pottery,
(vi) Art and china pottery,
(vii) Earthen toys,
(viii) Mosaic, talc, mica, alabaster, etc., working.

8. Food Industries.

(i) Rice pounding and husking,
(ii) Flour grinding,
(iii) Bakery and biscuit manufacture,
(iv) Grain parching,
(v) Butter, cheese and ghi,
(vi) Confectionery,
(vii) Jam and condiments,
viii) Butchery,
(ix) Sugar, molasses and gur,
(x) Tobacco,
(xi) Bidis,
(xii) Cigars and cigarettes.

9. Industries of Dress, Toilet and Luxury.

(i) Tailoring,
(ii) Linen embroidery,
(iii) Knitting,
(iv) Turban making,
(v) Cap making,
(vi) Wig making.

10. Chemicals, Varnish and Paints

Manufacture of—
(i) country drugs,
(ii) dyes,
(iii) paints and varnish,
(iv) printing ink,
(v) saltpetre,
(vi) indigo,
(vii) alum,
(viii) salt,
(ix) boot and shoe polish,
(x) writing ink.

11. Gold and Silver Industry

(i) Wire making,
(ii) Thread making,
(iii) Leaf making,
(iv) Ornament making,
(v) Bidri working (the damascening of silver on lead).

12. Some Minor Industries.

(i) Engraving,
(ii) Musical instruments,
(iii) Spectacles,
(iv) Enamelling,
(v) Imitation jewellery and gilding,
(vi) Rosaries, lingams and sacred threads,
(vii) " Chikan " work,
(viii) Horn combs, etc.,
(ix) Ivory articles,
(x) Sola hat making,
(xi) Peacock feather fan making,
(xii) Paper manufacture by hand and power,
(xiii) Papier-maché work,
(xiv) Lac manufacture,
(xv) Water mills,
(xvi) Working in precious metals.

APPENDIX I.

Estimates of the Annual Income of India.

Estimates of	Published in	Area.	Year.	Total income (in crores of Rupees).	Income per Head. Rs.
1. Dadabhai Naoroji ..	Poverty and Un-British Rule in India (1871).	British India ..	1867-68	340	20
2. Atkinson (F. J.) ..	"A Statistical Review of the Income and Wealth of British India." Journal of the Royal Statistical Society, June 1902.	Do. ..	1875	574	305
3. Baring, Major (Lord Cromer)	Budget Speech, 1882.	Do. ..	1881	525	27
4. Richard, T. (Sir) ..	A paper read before the Institute of Bankers, London, July 1881.	Do. ..	1881	233	10*
5. Horne (E. A.) ..	"An Estimate of India's National Income." Article in the Bengal Economic Journal, January 1918.	Do. ..	1891	..	28
6. Atkinson (F. J.) ..	(Same as No. 2)	Do. ..	1895	877	39.5
7. Digby (W.)	"Prosperous" British India, 1901..	Do. ..	1898-99	428	18.9
8. Curzon (Lord) ..	Budget Speech, 1901	Do. ..	1901	675	30
9. Giffen, R. (Sir) ..	Economic Inquiries and Studies ..	Whole of India ..	1903	900	30
10. Balkrishna (Dr.) ..	Industrial Decline of India, 1917 ..	Do. ..	1911-12	1,078(a) 539(b) 431.2(c)	.. 21 16.5
11. Horne (E. A.) ..	(Same as No. 5)	British India ..	1911	980	42
12. Shirras (G. F.) ..	Report on an Enquiry into Working Class Budgets in Bombay.	Do. ..	1911	1,204(d) 1,920(e)	50 80
13. Wadia (P. A.) and Joshi (G. N.)	The Wealth of India, 1925	Do. ..	1913-14	1,087	44.5
14. Lupton (A.)	Happy India, 1922	Do. ..	1919-20	2,854.5	114
15. Shah (K. T.)	Trade, Tariffs and Transport in India, 1923.	Do. ..	1921-22	1,470	46
16. Sarma (B. N. Sir, Hon'ble).	Proceedings of the Council of State (6th March, 1921).	Do. ..	1911 1921	.. ..	86 over 100
17. Shah (K. T.) and Khambata (K. J.)	Wealth and Taxable Capacity of India, 1924.	Whole of India ..	1900-14 1914-22 1900-22 1921-22	1,106 1,862 1,380 2,364	36 58.5 44.5 74
18. Shirras (G. F.) ..	The Science of Public Finance, 1924.	British India ..	1921 1922	2,598 2,866	107 116
19. Slater (Dr. G.) ..	The Madras Year Book, 1923 ..	Madras Presidency.	1919-20	434(f) 475(g)	102 112

*Not verified.
(a) Gross value of agricultural produce.
(b) Net value allowing 50 per cent. of gross value for cost of production.
(c) Net value allowing 60 per cent. of gross value for cost of production.
(d) Framed on the same basis as Lord Curzon's estimate.
(e) By a more elaborate method than that adopted by Lord Curzon.
(f) The non-agricultural income being taken at 40 per cent. of that from agriculture.
(g) The non-agricultural income being taken at 50 per cent. of that from agriculture.

APPENDIX J.

Classification of National Wealth of India.

I. Private (Individual and collective).
- (i) Land and buildings.
- (ii) Agricultural, dairying and pastoral implements and machinery.
- (iii) Live-stock.
- (iv) Manufacturing plant and machinery.
- (v) Mining properties (including plant and machinery).
- (vi) Coin and bullion.
- (vii) Private railways, tramways and telephone systems.
- (viii) Shipping and canal and other waterways.
- (ix) Electric light and power.
- (x) Agricultural and pastoral products.
- (xi) Manufactured products.
- (xii) Mining products (other than gold).
- (xiii) Imported merchandise.
- (xiv) Clothing and personal adornment (including jewellery).
- (xv) Furniture and fittings, books, etc.
- (xvi) Motor vehicles, carriage, etc.

II. Public (Government and local bodies).
- (i) Land, buildings and other property.
- (ii) Live-stock.
- (iii) Forests.
- (iv) Irrigation works.
- (v) Water works.
- (vi) Roads and streets.
- (vii) Railways and tramways.
- (viii) Indian Marine.
- (ix) Ports and harbours.
- (x) Arsenals and defensive works.
- (xi) Ordnance and military accoutrements.
- (xii) Military transport and air service.
- (xiii) Manufacturing plant and machinery.
- (xiv) Mints.

APPENDIX K.

Family Budgets.

Rural Family Budgets—

Bhalla, (R. L.) .. .. .. "An Economic Survey of Bairampur Village." Government Press, Lahore, 1922.

Lucas, (E. D.) .. .. .. "The Economic Life of a Punjab Village." *Civil and Military Gazette,* Lahore.

Patro, (A.P.) .. .. .. "Studies in Village Economics." Contains budgets of families in the Ganjam district. Justice Printing Works, Madras.

Annual Reports of the Chanakya Society, Patna College. Beharee Printing Works, Patna.

Report of the Assam Labour Enquiry Committee, 1921-22. Government Press, Assam.

Urban Family Budgets—

Bombay Labour Office .. .. "Report on an Enquiry into Working-class Budgets in Bombay," 1923. Government Central Press, Bombay.

Burnett-Hurst, (A. R.) .. .. "Labour and Housing in Bombay." P. S. King and Son, London. (In press.)

Middle Class Family Budgets—

Caleb (Mrs.) .. .. "Family Budgets of Clerks"—A study of the residents of Lahore City. Mufid-i-Am Press, Lahore.

Unclassified Family Budgets—

Bombay Census Report, 1921. Appendix W. (6,000 Family budgets.)

Assam Census Report, 1921. (Budgets of different classes.)

Baluchistan Census Report, 1921.

No. 665/80 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 18*th May*, 1925.

THE SECRETARY,
THE INDIAN ECONOMIC ENQUIRY COMMITTEE, SIMLA.

SIR,

I have the honour to acknowledge receipt of your letter No. 258-E of the 1st April enclosing a copy of the Questionnaire framed by the Indian Economic Enquiry Committee and soliciting the Association's views thereon.

2. I am directed to point out that what the Indian Legislature and the public of India desired was a Committee to make an investigation into the economic condition of the people of this country. The present Committee, however, is formed only with the object of collating and examining the existing material, ascertaining how it can best besupplemented and determining what lines an economic enquiry into the resources of the country should take. In short, the Indian Economic Enquiry Committee is formed, *inter alia*, with the object of reporting firstly as to whether there is any *raison d'etre* for the Committee demanded by the Indian Legislature and by the Indian public, and secondly as to what in their opinion constitute the best lines on which such a Committee, if at all formed at a later date, should conduct their enquiries. My Committee desire me to state most emphatically that a Committee formed with the objects mentioned above is only calculated to defeat public opinion which has persistently demanded a thorough, independent and expert investigation into the present economic conditions of the country, and which public opinion also found reflection in the Indian Legislature some time back.

3. For the above reason my Committee cannot but feel that the constitution and the terms of reference of the Indian Economic Enquiry Committee are open to the gravest objection, and they are unanimously of the opinion that it would be a sheer waste of energy and time on their part if they were to attempt to answer the very formidable Questionnaire framed by the Indian Economic Enquiry Committee.—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 39.

EXTERNAL CAPITAL ENQUIRY COMMITTEE.

No. D. 3749-F.

GOVERNMENT OF INDIA,
FINANCE DEPARTMENT,
DELHI, 18*th November*, 1924.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

In accordance with the promise given by the Honourable Sir Charles Innes in the Legislative Assembly on the 5th June, 1924, a Committee consisting of the following gentlemen was appointed by the Government of India during the last Simla session to consider the question of the flow of capital into India from external sources :—

THE HON. SIR BASIL BLACKETT, K.C.B. (*Chairman*).
THE HON. SIR CHARLES INNES, K.C.S.I., C.I.E.

THE HON. MR. J. W. A. BELL.
THE HON. MR. G. A. NATESAN.
THE HON. DR. DWARKANATH MITTER.
} *Elected by the Council of State.*

MR. W. S. J. WILSON, M.L.A.
SIR P. S. SIVASWAMI IYER, K.C.S.I., C.I.E., M.L.A.
PANDIT MADAN MOHAN MALAVIYA, M.L.A.
MR. VITHALBHAI JHAVERBHAI PATEL, M.L.A.
} *Elected by the Legislative Assembly.*

2. I am directed by the Committee to request that you will be so good as to place the accompanying questionnaire which has been framed by them before your Chamber and communicate their replies at your early convenience. The Committee would be grateful if the replies could be sent so as to reach me by about the middle of January next.—I have, etc.,

(Sd.) ILLEGIBLE,
for *Secretary, External Capital Committee.*

EXTERNAL CAPITAL COMMITTEE.

QUESTIONNAIRE.

Forms of Capital—

1. What are the different forms in which external capital enters India ?

Encouragement—

2. In which of these cases is the entry either unobjectionable or necessary in the interests of India generally and of Indian industries in particular ?

3. Is it necessary to encourage the entry of any particular variety ?

4. If so, what steps should be taken in this direction and to what extent is capital likely to be forthcoming as the result of such steps ?

Replacement—

5. How far is it possible to replace external by internal capital ?

6. What measures are necessary for the—

(1) greater attraction of indigenous capital for industrial purposes, and
(2) development of banking organisation and credit facilities in India ?

Restriction—

7. What are the forms of external capital the entry of which is objectionable ?

8. What are the objections in each such case ?

9. What restrictions can and should be imposed in each such case ?

10. What would be the effect of any such restriction on the—

(1) industries and development of the country generally,
(2) loan policy of Governments and local bodies, and
(3) holders of investments ?

Differentiation—

11. Is it necessary to differentiate in any respect and, if so, how would you differentiate between—

(1) British and foreign capital, and
(2) capital from foreign countries which exercise such discrimination and from those which do not ?

Practice elsewhere—

12. What is the practice in other countries (specially in the British Dominions) in the matter of encouraging or restricting the flow of foreign capital ?

No. 117/35 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *23rd January*, 1925.

THE SECRETARY,
EXTERNAL CAPITAL COMMITTEE, DELHI.

SIR,

I am directed to acknowledge the receipt of your letter No. D. 3749-F dated the 18th November, 1924, and in reply to answer the questions referred to therein as follows :—

Forms of Capital—

(1) Speaking generally, the forms in which external capital enters India may be summarised under the following heads :—

(*a*) Gold and silver as bullion and in the form of coinage.
(*b*) Foreign bills of exchange and letters of credit.
(*c*) Securities of the Home Government and the securities of the Government of India.
(*d*) Merchandise, and machinery and goods generally.
(*e*) Shares, loans and debentures to companies and private individuals.

Encouragement—

(2) The entry of external capital in all forms should be encouraged in the general interests of the industrial and commercial development of the country. Foreign capital in any form should not be discouraged unless it is definitely proved that it is being used in preference to indigenous capital.

The only precaution which my Committee desire to suggest has reference to the share capital of foreign industrial enterprises located in India. In this particular instance my Committee consider that 50 per cent. of the share capital should be made available for subscription in India for a period of six months after the issue of the prospectus. During this time the prospectus should be adequately advertised and notified. If at the end of the period 50 per cent. of the share capital has not been subscribed in India the company might be given permission to acquaint the Registrar of Joint Stock Companies, or some other suitable authority appointed by Government for the purpose, who might then be given the power to accord sanction for the remaining portion of the share capital to be subscribed abroad.

My Committee would also like to recommend the Government of India to give their serious attention as to the advisability of enacting legislation, making registration in India compulsory in the cases of concerns financed by foreign capital operating in India, and also making it compulsory for such concerns to invest a half or at the very least a third of their reserve funds in this country.

(3) It is not necessary to encourage the entry of any particular variety of foreign capital. Speaking generally, the freer the flow of all kinds of capital the greater the benefit to Indian industrial development.

(4) See answer to (3) above.

Replacement—

(5) External capital can be replaced by indigenous capital in proportion to the savings which the country accumulates by way of profits upon its internal and external trade. At the same time my Committee realise the great necessity of educating the people of India to realise the value of investing their savings in industrial enterprises or depositing them in sound banking institutions so as to make them available for use for the development of Indian industries, in preference to the system of hoarding now so generally practised. They would greatly favour the development of more adequate and satisfactory banking facilities with this object in view, on the lines of the Industrial Banks of Germany and Japan.

(6) (1) With the object of attracting indigenous capital for industrial purposes to a greater extent, my Committee consider that Government would do well to assist infant industries suitable to the country's needs and natural resources by the grant of a generous measure of protection or bounties in their initial stages. Where it is proved that a tax has a restrictive or severely adverse effect on the inauguration or the legitimate development of a particular industry such tax should be abolished or its operation suspended in regard to the industry concerned. As an example of an objectionable tax my Committee desire me to refer to the Cotton Excise Duty which should be abolished in order to encourage the legitimate development of the cotton textile industry of India.

(6) (2) As regards development of banking organisations and credit facilities of India my Committee endorse in their entirety the following suggestion of the Hon'ble Sir Dinshaw E. Wacha, Kt :—

> " Measures essential to attract indigenous capital for industrial purposes and the development of banking organisations and credit facilities in India may be developed in the following way :—By institution of as many banking institutions as may be deemed necessary from time to time on a sure and sound foundation. Forsuch a purpose it will be imperative to introduce *specific legislation* regarding borrowing and lending, of a character which while sufficiently elastic will fully safeguard the interests of depositors and shareholders alike and thus inspire the highest confidence among them. Beyond such local banking concerns as just suggested it is exceedingly desirable that there should be in the important capitals of the different provinces, which have extensive trade and industries, banks with a capital at least of five crores of the type and nature of the German Deutsche Bank which, it is superfluous to state, has greatly aided in the conversion of Germany from an agricultural into an industrial country. Banks of this character, when established on sound foundations and managed by recognised experts in different branches of industry, may be expected to produce results in India similar to those in Germany. It is also essential that India should possess agricultural banks, with their kindred auxiliaries or feeders in every province of the Empire with, say, a capital ranging from two to five crores. Such banks should be modelled broadly on the lines of the Agricultural Bank of Egypt, so beneficially fostered by the late Earl Cromer. Of course, the local conditions of each province will have to be taken into consideration. Co-operative central banks should also be encouraged to serve the useful purpose of fertilisers to each agricultural bank.
>
> "Savings of smaller investors should be constantly utilised by means of State Certificates, similar to postal ones at present available but of higher denominations. In proportion as the villages of the country obtain the benefits to be derived from State projects of remunerative irrigation and agricultural banks, the larger will be the field for the utilisation of savings. The habit of thrift will thus be greatly stimulated and that of hoarding minimised.
>
> "Lastly, it should be well were the capital of the Imperial Bank of India increased so as to enlarge the scope of its utility in the matter of industrial developments. With a reasonable increase of its capital and with an enlargement of the existing note circulation which may be deemed adequate without the evils of inflation, for the needs of the growing population and its expanding commerce and manufactures, the country will be in a better position to create *new wealth.* Stabilisation, *pari passu,* of Indian exchange is essential, but, of course, that can only be successfully achieved when the world's international exchange has been stabilised."

Restriction—

(7), (8) & (9) As already indicated in answer to question (2) my Committee hold the view that the entry of foreign capital of all kinds should be encouraged, but where the terms offered by various countries are equal, preference might be given to British capital in the case of Government borrowings abroad.

(10) The effect of restrictions, if permanently imposed, could only be ascertained by experience. Speaking broadly, a policy of restriction would constitute an economic mistake, as no amount of foreign capital supplied at low rates of interest could possibly injure India. On the other hand, no special concessions should be granted to any country which is not available to Indian capital in that country.

Differentiation—

(11) In view of the answers given to previous questions, no answer is necessary.

Practice elsewhere—

(12) My Committee have only a very general knowledge of the practices obtaining in other countries regarding the encouragement or restriction of foreign capital, and do not therefore desire to answer this question, except in so far as to say that whatever may be the practice in other countries, India's peculiar position would render most of them unsuitable for adoption. The special needs and interests of India should be the paramount consideration of the Government of India in framing any policy for restriction or encouragement.—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 40.

ROYAL COMMISSION ON INDIAN CURRENCY AND EXCHANGE.

No. 1.

NEW CUSTOM HOUSE,
BOMBAY, *22nd September,* 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to state that the Royal Commission on Indian Currency, the appointment of which was announced by H. E. the Viceroy on the 20th August, 1925, will be glad to receive written statements of their views from any persons or bodies desirous of giving evidence before the Commission. They should state at the same time whether they wish to supplement the written statements by oral evidence, and in the case of bodies, name the representative or representatives who will tender oral evidence on their behalf.

2. I am to request that the above fact may be made known generally and that a written statement of your Association's views may be forwarded accordingly. It will be understood that it will be for the Commission to decide whether or not they will hear the oral evidence of witnesses offering to tender such evidence, and no statement can be made at present as to the date on which witnesses whose oral evidence the Commission decide to take will be called.

3. A copy of the terms of reference is enclosed. All communications may be addressed for the present to the Joint Secretaries to the Royal Commission on Indian Currency, Government of India, Secretariat, Simla.—I have, etc.,

A. V. V. AIYAR,
Joint Secretary to the Royal Commission on Indian Currency.

TERMS OF REFERENCE.

To examine and report on the Indian exchange and currency system and practice ; to consider whether any modifications are desirable in the interestsof India, and to make recommendations.

No. 4363.

Confidential.

FINANCE DEPARTMENT,
BOMBAY, *24th October*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to forward the attached copyof a confidential memorandum indicating the main questions which will be considered by the Royal Commission on Indian Currency, which will be of use to your Association in preparing their written statements. I am to request that the memorandum may be treated as strictly confidential.—I have, etc.,

J. V. JOSHI,
Assistant Secretary to the Government of Bombay,
Finance Department.

Confidential. (*Not to be published.*)

The following memorandum is issued by the Joint Secretaries to the Currency Commission by direction of the Chairman. It is not to be regarded as exhaustive nor is it desired that each witness should necessarily attempt to deal with all the questions raised.

The Royal Commission on Indian Currency has not yet met and no authoritative questionnaire has been compiled. Inorder, however, to assist in the preparation of the written evidence and to avoid delay it may be useful to give a preliminary indication of the chief questions which it would seem, must be considered by the Commission under their terms of reference.

These are as follows :—

(1) Is the time ripe for a solution of problems of Indian currency and exchange by measures for stabilisation of the rupee or otherwise ?

What is the comparative importance of stability in internal prices and in foreign exchanges ?

What are the effects of a rising and a falling rupee and of a stability of high or low rupee on trade and industry including agriculture and on national finance ?

(2) In relation to what standard and at what rate should the rupee be stabilised, if at all ?

When should any decision as to stabilisation take effect ?

(3) If the rate selected differs materially fromthe present rate how should transition be achieved ?

(4) What measures should be adopted to maintain the rupee at the rate selected ?

Should the gold exchange standard system in force before the war be continued and with what modifications, if any ?

What should be the composition, size, location and employment of a gold standard reserve ?

(5) Who should be charged with the control of the note issue and on what principles should control or management be transferred to the Imperial Bank of India, and if so, what should be the general terms of the transfer ?

What provisions should be made as to the backing of the note issue ?

What should be the facilities for the encashment of notes ?

What should be the policy as to the issue of notes of small values ?

(6) What should be the policy as to the minting of gold in India and the use of gold as currency ?

Should the obligation be undertaken to give gold for rupees ?

(7) By what method should the remittance operations of the Government of India be conducted ?

Should they be managed by the Imperial Bank ?

(8) Are any and if so what measures desirable to secure greater elasticity in meeting seasonal demands for currency ?

Should any and if so what conditions be prescribed with regard to the issue of currency against hundies ?

(9) Should any change be made in existing methods for the purchase of silver ?

No. 1407/130 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *7th December*, 1925.

THE SECRETARY,
THE ROYAL CURRENCY COMMISSION, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter No. 1 dated 22nd September, 1925, and your further communication No. 47 dated 27th October, and in reply have the pleasure to submit the considered views of the Committee of the Bombay Millowners' Association regarding the Indian currency problems.

In the opinion of my Committee, the time has now arrived for a concerted attempt to be made to solve the currency problem of the country. They further consider that the two main essentials for the permanent solution of the currency problems are :—

(*a*) The introduction of a true gold standard in India, with the value of the rupee fixed at a rate which will correspond with countries where currency has returned to its normal value. With the rupee exchange at the present rate 100 U.S.A. gold dollars are worth Rs. 272.4 as against Rs. 307.8 in January 1914. From this it would seem that the present value of the rupee is far too high unless the Government of India are in a position to show that the U.S.A. has a depreciated currency.

(*b*) That the rupee exchange rate should not be liable to large fluctuations.

If the value of the rupee was fixed at 1*s*.6*d*. gold my Committee believe that in the event of two successive failures of the monsoon it would be found impossible to

maintain its parity. The present rupee-sterling exchange rate has only been possible because India has had four successive good monsoons. For these main reasons my Committee are convinced that it would be inadvisable to stabilise the rupee at a higher value at 1*s.* 4*d.* gold, a rate which it was found possible to maintain for more than twenty years previous to the war.

In connection with the subsidiary problems with which the Currency Commission is confronted, my Committee desire to make the following suggestions :—

(1) That the token value of the rupee in terms of gold should be fixed at a rate not higher than 1*s.* 4*d.* gold.

(2) That the English sovereign, or an Indian coin of similar weight and fineness should be made legal tender in India.

(3) That gold certificates should be issued on the basis of Rs. 15 to the sovereign against gold held in reserve in India. My Committee consider that for the first few years after the country has gone over to a true gold standard, it will be necessary to build up an adequate gold reserve, and in order to prevent the possibility of any due raid on the gold reserve during these years it should not be compulsory to make payment against gold certificates in gold coin. At the same time Government should declare that the ultimate object would be to meet all payments against gold certificates in gold currency.

(4) Subject to the issue of temporary emergency currency no further issues of rupee notes (in contra-distinction to gold certificates) should be made, and no further minting of silver rupees should be made.

(5) It should be the aim of Government to withdraw gradually the notes now issued against silver backing in not more than ten years, and to replace them with gold certificates. At the end of that time it will be necessary to decide the amount against which silver rupees should be accepted as legal tender.

(6) That the sale of Council Bills should be restricted to the actual needs of the Secretary of State for the financial year in which the sales are made.

(7) The control of the note issue should be handed over to the Imperial Bank of India with definite regulations regarding its expansion and contraction. The present method of control has led to suspicion, unfounded or otherwise, that the Government of India have been guilty of manipulations which might possibly have been to the benefit of Government revenues but have adversely affected the interests of the great mass of the population of this country. By a transference of their powers, under definite rules, to the Imperial Bank, this suspicion would be removed.

(8) That the whole of the remittance operations of the Government of India should be entrusted to the Imperial Bank. These transactions are essentially banking transactions, and should be conducted through the usual agency.

My Committee do not in their written evidence wish to dilate upon the suggestions they have made as this is more the function of financial experts, and can hardly be considered as the legitimate function of the Millowners' Association, but they desire to state more fully their views upon the essentials which they submit are necessary for the satisfactory solution of the Indian currency problem, and the reasons why the textile industry of the country must support the demand for a 1*s.* 4*d.* gold standard.

The Introduction of a True Gold Standard.

The present currency system is open to objection for the reason that it permits the value of the rupee to be raised or lowered practically at the will of the Finance Member of the Government of India, and my Committee believe that it is extremely desirable that the system should be changed for this, even if no other reason.

The only recognised international standard of value is gold, and my Committee are unanimously of the opinion that the rupee, which by the very fact that it has a nominal value greater than its intrinsic value becomes a token coin, should possess a constant relation to the only universally recognised measure of value. The only way to achieve this, in the opinion of my Committee, is by the minting of gold coins in India and for the issue of gold certificates against *tenders of gold by the public.*

A necessary corollary to the suggestion made by my Committee would be that " the Indian mints should be thrown open to the unrestricted coinage of gold on terms and conditions such as govern the three Australian branches of the Royal Mint," as recommended by the Fowler Committee.

Fixation of the Value of the Rupee at 1*s.* 4*d. Gold.*

As explained in the preceding paragraphs, the rupee is a token coin. This has been true since the time it ceased to circulate at the value of the silver contained in it. When it ceased so to circulate, a definite face value wasgiven to it equivalent to 1*s.* 4*d.* gold. In other words, 15 token rupees become equal in value to £ 1 gold, and in reality the English sovereign became the standard of value whereby the value of India's products were reckoned.

For more than twenty years, the rupee circulated at this value and during that time contracts began to be made in terms of this token coin. The whole of the land assessments of the country were made upon this basis and practically the whole of the rupee capital in Indian industries was invested in machinery, buildings, etc., upon this basis.

It has been stated in responsible quarters that, if the rupee was fixed at 1*s.* 4*d.* gold, it would constitute a hardship to those people who have entered contracts at 1*s.* 6*d.* My Committee maintain that this hardship is more or less a figment of the imagination, for, until the end of March this year, when England's currency was restored to its pre-war parity with the dollar, the rupee never had a value equal to 1*s.* 6*d.* gold, and as recently as September 1924 had an equivalent gold value of under 1*s.* 4*d.*

My Committee realise that the present Finance Member of the Government of India has more or less advocated a policy which would give a token value to the rupee higher than 1*s.* 4*d.* gold, and has been able to support his policy by two successive prosperity budgets. Most of his surplus, Sir Basil Blackett has stated, has been due to the high exchange value of the rupee in terms of sterling.

With this view, my Committee entirely disagree and they maintain that even with the value of the rupee fixed at 1*s.* 4*d.* gold, there would have been equally big surpluses for reasons similar to those given by Mr. B. F. Madon in Chapter XII of Part II of his book on the Indian Exchange Problem.

It may be true that there has been a gain to Government under the matter of home charges, but this gain has been more than counter balanced by the loss in rupee value of the exports of the country which has correspondingly reduced the amount which this country has been able to spend.

Effect of a 1*s.* 6*d. rate on the People of India Generally.*

As is well known, the very great majority of the people of this country are agriculturists and their prosperity depends upon the prices received for the produce of their lands. As is almost equally well known, the prices which they receive depend upon the prices which the rest of the world is willing to pay for the surplus which is exported. These prices are very largely dependent on their international gold value and it necessarily follows that, if the gold value of the rupee were fixed at 1*s.* 6*d*, the number of rupees received by the Indian exporter would tend to be less than if the gold value of the rupee were fixed at 1*s.* 4*d.*

As internal prices are also largely dependent upon the export prices, it also follows that the total number of rupees received by the agricultural population of India for their produce would be considerably less with the rupee fixed at 1*s.* 6*d.* than if fixed at 1*s.* 4*d.* gold.

Coming down to the individual, it will mean that, in spite of a smaller rupee income, he will have to pay the same number of rupees rent, the same number of rupees for land revenue, and the same if not a higher, number of rupees as interest to the sowcar. Thus the balance left over in rupees after paying all those fixed amounts will be reduced and the purchasing power of the general population correspondingly decreased.

Effect upon the Cotton Industry of India.

As explained in the preceding paragraph, with the rupee fixed at 1*s.* 6*d.* gold instead of 1*s.* 4*d.* the general population of the country would have a smaller balance left over after paying interests, rent and land revenue, and this means that they would be unable to pay the prices for cloth which they could previously afford. This also means that not only will the demand for Indian mill-made cloth decrease, but that prices would have to be reduced to meet the decreased purchasing power of the general population.

The decrease in the price of the Indian mill-made cloth would, however, be made doubly certain owing to the fact that the price at which it is possible to import Japanese and other foreign cloth would be automatically reduced by 12½ per cent. or round about this figure.

Let us examine what this means to the mills of Bombay, who are to-day faced with the problem of reducing the cost of cloth by 12½ per cent. and will continue to be faced with these difficulties if the rupee is kept at 1*s.* 6*d.* gold.

To reduce the price of cloth by 12½ per cent. the manufacturer has to reduce every one of his cost items by that percentage. In many cases this is impossible because the prices paid for labour cannot easily be reduced and the cost of power, depreciation, interest charges, rates, taxes and insurance will remain the same or be increased.

The net result of this is that, where the full force of foreign competition exists (Bombay) if the rupee is fixed at 1*s.* 6*d.* gold, many mills will eventually be forced into liquidation unless the import duty on cotton piece-goods were increased and even if the import duty were increased, it will not help the textile industry so much as would fixation of 1*s.* 4*d.* gold owing to the decreased demand for cloth caused by the lesser rupee income of the agricultural population.

So far mention has only been made of the effect which a 1*s.* 6*d.* rupee would have upon the home trade of the Bombay cotton mill industry, but it should also be realised that it would have an equally severe effect upon the export trade because if the gold value of the rupee is made higher than has previously been the case, it means that the cost of producing a given quality of yarn or cloth in terms of gold, which is the standard by which world prices are measured, would be correspondingly increased..

If, therefore, India found it unprofitable to attempt to build up an export trade when the rupee was equivalent to 1*s.* 4*d.* gold, it would be impossible to build up such a trade (which is becoming increasingly necessary, without very substantial help from Government) if the value of the rupee was fixed at 1*s.* 6*d.* It has been stated by the Finance Minister that the increase in the sterling value of the rupee during recent years has been due to natural causes and that there has been no manipulation by Government, but my Committee are inclined to think that this statement cannot be borne out in view of the fact that there has been an insufficiently great increase in currency to meet the increased requirements of the industry and agriculture caused by the general high level of world prices and the increase in population. As long as the 2*s.* gold to the rupee ratio remains in the Coinage and Currency Acts of the country, the free importation of gold into India will be retarded and there will be a tendency for the sterling value of the rupee to rise until it finally reaches the 2*s.* point since this 2*s.* ratio effectively prevents the importations of sovereigns into India for use as currency inasmuch as according to the Currency and Coinage Acts, a sovereign is equivalent in value to Rs. 10 only.

Had the pre-war ratio of Rs. 15 to the sovereign been retained, gold would have flowed into India owing to the favourable balance of trade and would have been to a very large extent put into circulation as currency and would, moreover, have effectively maintained the value of the rupee at 1*s.* 4*d.*—I have, etc.,

T. MALONEY,
Secretary.

APPENDIX 41.

REDUCTION OF FIRE INSURANCE RATES FOR COTTON MILLS.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, *3rd January*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We have pleasure in enclosing herewith two copies of the East Indies' Cotton Mills tariff with the proposed reductions marked thereon in red ink for submission to your Sub-Committee as agreed at the joint meeting of our Sub-Committees on 18th ultimo.—Yours, etc.,

A. F. FERGUSON & CO.,
Secretaries.

No. 143/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *24th January*, 1925.

THE SECRETARIES,
BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to acknowledge the receipt of your letter dated the 3rd January, 1925, enclosing two copies of the tariff rates which it is proposed to offer to Bombay mills in respect of insurance against fire. The proposed new tariff has now received the consideration of my Committee who desire to make the following observations:—

1. *Rates for Fireproof Mills.*—As regards the rates proposed to be charged for fireproof sprinklered mills, while my Committee are of the opinion that a further reduction might have been given in a number of cases, they accept the rates proposed by your Committee with the exception of the rates for mixing rooms, which they consider to be unduly high, and more especially since an extra is charged if there are openings for lattices to pass through. The new rate is exactly the same as the old one except that it is now quoted net in the tariff, and my Committee, before agreeing to the new rate, would be glad if the claims experience figures which led your Association to retain the rate at its old level could be placed before them for their private consideration.

2. *Rates for Non-Fireproof Mills.*—With reference to non-fireproof mills, it was stated by the representatives of your Association at the joint meeting on the 18th December, that the claims experience for this type of risk had been so very disastrous that no reduction was possible, but before acquiescing in this view, the Sub-Committee of my Association would like to examine the figures which led to this conclusion.

As far as the mills of Salsette are concerned, and more particularly the weaving and spinning departments of these mills, my Committee are inclined to think that it ought to be possible to effect a substantial reduction in the rates. In their opinion it would be manifestly unfair to penalise Bombay on account of the expensive claims experience in other centres of the industry.

It ought perhaps to be stated that any figures your Association care to submit to the Sub-Committee of my Association in response to this and the request made in para (1) will not be divulged to any persons other than the Sub-Committee without your express permission.

3. Your Committee will probably remember that in addition to the question of rates the members of my Sub-Committee also put forward certain other questions for the consideration of your Committee, *viz* :—

(*i*) The unsuitability of the present definition of fireproof in certain particulars and especially in its application to shed buildings.

(*ii*) The advisability of reducing the duration of the period for which a mill needs to remain closed to become entitled to the special rates for silent mills.

(*iii*) The rates for silent mills.

(*iv*) The necessity of a more satisfactory and comprehensive system of short-period rates.

(*v*) The necessity for a change in the definition of fireproof with reference to godowns.

(*vi*) The possibility of increasing the discount allowed for sprinklered mills fitted with an automatic regulator and self-starting device.

(*vii*) The desirability of extending the benefits of the new tariff to fireproof sprinklered mills in the mofussil.

(*viii*) The need for a reduction in the riot and civil commotion rates.

The proposed tariff meets the wishes of my Committee to a certain extent as regard questions (*ii*), (*iii*), (*iv*) and (*vi*) and with reference to the other questions my Sub-Committee desire to put forward for you consideration the following definite suggestions :—

(*i*) That sub-clause (*c*) of the description of a fireproof roofing (heading (1) page 3 of Tariff) should be amended to read :—

The roof of a fire proof building or compartment is constructed of :—

Tiles or slates on steel or iron frames (beams of teak or other hard non-resinous wood being allowed) but in the case of all the items, except 'Dyeing' of sub-clause (1) of Section 1 on page 4 of the tariff, roofs having steel or iron frames with a covering of tiles laid on teak or other non-resinous hard wood boarding will be considered as fireproof. This extension of the definition of fireproof would, to some extent, meet my Committee's objections to the present definition of fireproof as applied to shed buildings.

(*v*) That the definition of fireproof godown be amended so that a godown with brick walls, with a corrugated iron roof covered with tiles but not bonded together with cement shall be considered.

(*vii*) My Committee are emphatically of opinion that the reduced tariff should be made applicable to the Bombay mofussil district as defined in the original tariff and particularly to Ahmedabad and Nagpur, and see no reason for the last portion of the first paragraph on page 3 of the tariff being deleted.

(*viii*) That riot and civil commotion rates should be reduced to 1 anna per cent. per annum for cover against fire only and 1½ annas per cent. per annum if in addition to cover against fire, cover is required for material damages caused by any other agency. These rates to be made subject to the usual sprinkler discount.

If these concessions are granted in respect of riot and civil commotion rates my Committee anticipate that a large increase in this class of insurance would follow.

4. Finally I am to suggest that in view of the suggestions put forward in this letter it might be advisable to hold a joint meeting of our respective Sub-Committees at an early date and that in any case the tariff as finally agreed upon shall be given retrospective effect from January 1st, 1925.—Yours, etc.,

T. MALONEY,
Secretary.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 13*th February*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are directed to refer to your letter No. 143-54 dated 24th ultimo, and to state that the matters referred to therein have now received the careful consideration of our Committee.

1. *Rates for Fireproof Mills.*

While our Committee are pleased to learn that your Committee accept the rates proposed by them, they cannot agree that the rates for mixing rooms are unduly high. A list of the fires which have occurred in mixing rooms during the past six years is attached, from which it will be observed that such fires have been of frequent occurrence, and that the losses have been relatively heavy compared to the amounts declared for insurance on such departments.

From the list it will, we hope, be apparent to your Committee that the amounts paid in losses considerably exceed the premiums in the case of mixing rooms and that consequently no reduction in rates is at present warranted.

Our Committee regret that they are not in a position to furnish you with detailed figures as to their claims experience of mixing rooms, as such details have been submitted to them by the members of our Association in confidence. We think your Committee will agree that it is desirable to review the experience of the various classes of mills comprehensively rather than be guided by the claims experience on individual blocks, such as, for instance, mixing rooms, blow rooms, etc.

If the experience of individual blocks is to be the guiding factor, then surely, if a reduction be justifiable in the case of those blocks on which the experience has been favourable, an increase is equally called for where it has been unfavourable.

2. *Rates for Non-Fireproof Mills.*

We regret that for the reason given above, we are unable to furnish you with details as to the claims experience of our members.

3. Our Committee are pleased to note that their proposals meet with the wishes of your Committee as regards questions (*ii*), (*iii*), (*iv*) and (*vi*).

With regard to questions (*i*), (*v*) and (*vii*) our Sub-Committee will be pleased to meet your representatives on either Monday, the 16th instant, or Thursday, the 19th instant, in this or your Association's rooms, when the points you raise may be fully discussed with a view to arriving at a settlement satisfactory to all concerned.

Finally, with regard to question 8, our Committee much regret that they cannot consider a reduction in the very moderate rates which they have fixed for riot and civil commotion risks, and which they are informed on good authority, compare more than favourably with those charged anywhere else in the world.

The suggestion that the rates for riot and civil commotion risks should be made subject to the usual discounts for sprinklers and fire appliances is, in the view of our Committee, a most unsound one, as recent experience has shown that during a strike the sprinklers and fire appliances are likely to become inoperative owing to mill fire brigades absenting themselves., malicious interference with the appliances, and for other reasons.

In any case appliances installed for the extinction and prevention of fire would be valueless in protecting a mill against other material damage by rioters.

With reference to the concluding para of your letter, we are directed to refer to the understanding arrived at, as assumed by our Committee after discussion on the point at the last joint Sub-Committee meeting, that while the new tariff will become automatically applicable to all mills, the date of application would be that (approximately) of the final conference.—Yours, etc.,

A. F. FERGUSON & Co.,
Secretaries

List of Fires in Mixing Rooms in Sprinklered Mills in Bombay and Salsette from 1st January, 1919, to 31st December, 1924.

Date.	*Mills.*	*Loss.* Rs.	a.	p.
16- 1-19	Finlay Mills	14,014	3	2
26-11-19	Connaught Mills	1,931	4	1
26- 9-19	Hindustan Mills	658	10	6
1- 4-20	Finlay Mills	3,126	11	11
17-11-20	Empress Mill No. 1	8,309	15	4
24-12-20	Mathradas Mill	28,000	0	0
18- 2-21	E. D. Sassoon Mill	10,020	1	1
31- 5-22	Alliance Cotton Mill	1,080	0	0
29- 3-22	Edward Sassoon Mill	6,513	2	0
10- 4-22	Jacob Sassoon Mill	491	0	0
3- 6-22	Jam Mfg. Co., Ltd.	57,390	0	0
17- 9-22	Coorla Mills	32,840	0	0
18- 9-22	Crown Mills (also blow room)	6,786	8	0
15- 7-22	David Mill No. 2	78,182	8	3
10- 8-22	Western India Mill (also blow room)	9,098	0	0
26- 2-23	Empress Mill	28,391	0	0
28-11-23	Phœnix Mill	1,553	12	0
18- 5-24	Premier Mills	5,169	10	6
11-12-24	Union Mill	350	0	0
11-12-24	Indian Mill	350	0	0
19-12-24	Jacob Sassoon Mill	524	0	0
13-12-24	Phœnix Mill	2,500	0	0*
23-12-24	Kastoorchand Mill	2,500	0	0*
	Total Rs.	2,99,780	6	10

No. 368/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *5th March*, 1925.

MESSRS. A. F. FERGUSON & Co.,
SECRETARIES, THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your letter No. 2265-A of the 13th February, 1925.

It is regretted that it was not possible to hold a joint meeting of our respective Sub-Committees on the 16th or 19th February, as desired by you. It is proposed to hold the joint meeting on Thursday, the 12th March, 1925, at 12.00 noon (S.T.) in this Association's rooms, and it is hoped the day and time will suit your Sub-Committee. If not, will you be good enough to let me know by to-morrow evening ?

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* Estimated.

In the meanwhile I am directed to address you on the undermentioned points :—

As regards the rates for mixing rooms, in view of what you state, my Committee do not propose to labour the point further.

As regards the rates for non-fire proof mills, my Committee wish to reiterate what they have already stated in their letter to you of 24th January, 1925. They are of opinion that there is certainly room for reduction in these rates, unless you satisfy them with facts and figures that no reduction is possible. You have furnished them with absolutely no data to substantiate your statement that your claims experience for this type of risk had been so disastrous as to make any reduction impossible. I am therefore once more to request you to be so good as to give an opportunity to the Sub-Committee of this Association to examine the figures which led to this conclusion. My Committee will feel obliged if you will kindly furnish them with figures for the last 10 to 15 years in respect of mills situated in Bombay City and Island and in respect of mills situated outside. Please be good enough to furnish them with two separate sets of figures for Bombay mills and for mofussil mills respectively. My Committee trust you will kindly see your way to accede to their request. In case, however, you have any real objection against submission of these figures, I am to request you to be so good as to bring the figures with you to the joint meeting next Thursday, so that my Committee might inspect them and return the papers to you forthwith.

As regards the other points mentioned in your letter, these will of course be discussed at the joint meeting next Thursday.—Yours, etc.,

J. P. WADIA,
Assistant Secretary.

No. 373/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *7th March*, 1925.

MESSRS. A. F. FERGUSON & CO.,
SECRETARIES, THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

In continuation of my letter of the 5th instant, I am directed to inform you that as the Chairman is starting to-morrow for Delhi, it will not be possible for the joint meeting to be held on Thursday next. I am therefore to request you to kindly treat the proposed meeting as cancelled. On the Chairman's return from Delhi, I shall communicate with you further in the matter.—Yours, etc.,

J. P. WADIA,
Assistant Secretary.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *19th March*, 1925.

Report by the Fire Insurance Sub-Committee.

To

THE COMMITTEE.

GENTLEMEN,

Towards the end of May, 1923, the attention of the Association was drawn by the Sir Shapoorji Broacha Mills, Ltd., to the very high rates chargeable according to the local tariff for fire insurance on all departments of cotton mills. It was also pointed out that the profit made by insurance companies in recent years had been altogether out of proportion to the risk involved and though the Bombay mills had reduced their working hours the Fire Insurance Association had made no corresponding reduction in rates.

As a result of Sir Shapoorji Broacha Mills' letter the Fire Insurance Association were addressed on the subject and a claim put forward for a general reduction in insurance rates. The attention of the Fire Insurance Association was also drawn to the injustice of the existing rule regarding silent mills, under which no rebate of premium was claimable unless a mill had been silent for 90 consecutive days. Subsequent negotiations with the F.I.A. resulted in certain definite proposals being put forward by them, and arising out of these proposals we were appointed to confer with the Special Sub-Committee appointed by the F.I.A.

Silent Rates.—As a result of our joint discussions the rule regarding silent mills has been amended and rebates of premium will now be claimable after a mill has been closed for 15 consecutive days.

Firepoof Mills.—The final proposals of the F.I.A. regarding fire-proof sprinklered mills in Bombay City and Island and Salsette, and to which we have tentatively agreed, will be found in the accompanying tariff schedule. It will be noticed that in the new tariff net rates are quoted, the 25 per cent. rebate formerly allowed to mills has been deducted in all cases. But the rates in the schedule are of course subject to agency commission. On the whole the concessions allowed amount to reduction between 20 and 30 per cent. on present rates.

Other points which should be noted are :—

(1) Concession in regard to short-period rates.—Short-period rates can now be obtained for perieds varying between three days and eleven months and the rates themselves are lower than previously.

(2) The discount given for sprinklers having automatic regulators and self-starting devices has been increased from 50 to 60 per cent.

(3) The net rates for mixing-rooms are retained at their old level and we regret that for this type of risk we were unable to obtain any concession, but after perusing the statement submitted by the F.I.A. showing the actual cost of compensating claims arising out of fires in this department during recent years, we are convinced that the rate is not excessive. In this connection it should be noted that the extra sprinkler list discount really means a reduction of 20 per cent.

It will be clear from the following example :—

If the premium payable by a mill under the old rule were Rs. 100, this would mean—after sprinkler discount of 50 per cent. has been deducted—a nett premium of Rs. 50. Under the new rules the nett premium would be Rs. 40 which is really a reduction of Rs. 10 on Rs. 50 nett premium or 20 per cent.

(4) Two further important concessions have been obtained which do not appear in the tariff schedule accompanying this report. The first relates to definition of fireproof godowns—

"In future a godown will be considered fireproof if it has brick walls and corrugated iron roof covered with tiles which need not be bonded together by cement."

The second concession relates to the application of the schedule. The printed schedule states that the tariff rates therein will only be applicable to mills in Bombay City and Island and Salsette. But it has now been agreed that the tariff should be applicable to all other fireproof sprinklered mills coming within the territorial jurisdiction of the Bombay Fire Insurance Association with this modification, that the concession for sprinkler installations with automatic regulators and self-starting devices shall be 55 per cent. and not 60 per cent. as in the case of mills in Bombay and Salsette. The reason for this is that Bombay has certain advantages in the matter of water-supply, fire inspection staff, salvage corps and fire brigade which are not generally available in up-country centres.

Date of Introduction.—The new rates will be made applicable from Monday, the 16th March, 1925.

Non-fireproof Mills.—In regard to non fire-proof mills we regret we have to report we have been unable to obtain any concessions with the exception of that relating to sprinklers, but from figures submitted privately by the F.I.A. it was demonstrated that the loss ratio over a period of years had been 90 per cent. in the case of this type of risk, without taking into consideration the allowances which the insurance companies have to make for agency commission and expenses. In face of these figures our case for a reduction of premium for non-fireproof mills was untenable.

At the last joint meeting it was also tentatively agreed that in future any alterations in fire insurance tariff rates would be settled by joint meetings of the two Associations.

Members of Sub-committee.
- N. N. WADIA.
- RATANSI D. MORARJI.
- E. VICTOR SASSOON.
- S. D. SAKLATVALA.
- JEHANGIR B. PETIT.
- MUNMOHANDAS RAMJI.
- J. A. KAY.
- T. MALONEY (*Secretary.*)

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, *20th March,* 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are directed to place before your Committee the following point which has arisen since the meeting of our respective Sub-Committees on the 19th instant.

It will be remembered that the agreed rates for sprinkler discount are as under :—

	Bombay. and Salsette. %	*Mofussil.* %
Mills fitted with automatic regulator and self-starting device	60	55
Mills not fitted as above	50	50

It has been brought to the notice of our Committee that under the above rates a mofussil mill *not* fitted with automatic regulator and self-starting device can, by reason of the 5 per cent. sub-agency commission allowable in the case of mofussil mills, obtain a better rate than a Bombay mill similarly placed.

In the circumstances, our Committee propose to reduce the discount for mofussil mills which are not fitted with an automatic regulator and self-starting device to 45 per cent., thus making a difference of 10 per cent. in each case.

We shall be glad to know that your Committee concur in this decision.—Yours, etc.,

A. F. FERGUSON & CO.,
Secretaries.

No. 441/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *20th March*, 1925.

THE SECRETARIES,
BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to enquire whether the under-quoted rule extracted from the new Tariff Schedule for fireproof sprinklered mills is also applicable to non-fireproof buildings :—

"*Scale of allowances for appliances for the extinction of fires kept or situate on the premises insured.*

(1) .....

(2) Having an Automatic Sprinkler Installation *and an Automatic Regulator and Self-starting device* approved by the Association and at all times maintained in good working order in addition to such appliances also approved by the Association, as would, in the absence of such installation, entitle the Assured to an allowance of not less than 5 per cent.—*Percentage of Premium*, 60."

I understand from Mr. Cheminais that the special discount for automatic regulators and controlling devices will apply to buildings of all descriptions, and that a special sprinkler tariff is shortly to be issued by your Association.

I should like you to confirm this, and also to inform me as to the date from which the higher sprinkler discounts will be applicable, in order that I may inform members of this Association.

I am also to request that my Association may be supplied with 120 copies of the new Fire Insurance Tariff for sprinklered fireproof mills.—Yours faithfully,

T. MALONEY,
Secretary.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, *27th March*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are directed to acknowledge receipt of your letter No. 441/54 of 20th instant and to reply that the answer to the first enquiry contained therein is in the affirmative and to state that the special discount for automatic regulators and controlling devices applies to all buildings rateable under the new tariff, complying with the condition (2).

We are further directed to confirm that the date from which the higher sprinkler discounts will be applicable, is 16th March, 1925.

With regard to the final paragraph of your letter under reference, one copy of the revised Tariff will be sent for your office records and our Committee regret they are unable to supply you with further copies, as this Association's Tariffs are issued for the use of members only.

Copies will, of course, be issued to members of your Association, who are entitled to receive them.—Yours, etc.,

A. F. FERGUSON & CO.,
Secretaries.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, *3rd April*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Bombay Cotton Mills Tariff.

With reference to our letter of 27th ultimo, we now have pleasure in enclosing one copy of the revised Tariff, for your office records.

We would bring to your notice that a further warranty 2(*b*) has been inserted on page 10 of the Tariff applicable to Sprinkler Services fitted with Automatic Regulators.

The functions of an Automatic Regulator for which an extra allowance is being granted are :—

(*a*) To maintain a higher pressure in the installation than can be procured from a elevated tank.

(*b*) To come into action at a high pressure and as soon as a sprinkler opens. For this reason steam has to be kept on the pump at all times.

It will thus be readily appreciated that unless this warranty is inserted, the mill staff may consider that the Auto Regulator is working satisfactorily when set to act at a low pressure, and to obviate any dispute it is necessary to insert the ruling.—Yours, etc.,

A. F. FERGUSON & CO.,
Secretaries.

No. 531/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *8th April*, 1925.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your letter of the 20th ultimo (No. 2265-A), on the subject of sprinkler discounts. Your letter was very carefully considered by my Committee at their last meeting, and the conclusion they arrived at was that no case had been made out for reducing by 5 per cent. the agreed sprinkler discount in the case of mofussil mills not fitted with automatic regulators and self-starting devices.

My Committee desire that the arrangements arrived at at the joint meeting of our respective Sub-Committees should be adhered to.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 537/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *8th April*, 1925.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

With reference to your letter No. 2265-A of the 3rd instant, my Committee are of opinion that it is for the Inspectors of your Association to see that steam for bringing the sprinkler pump into action at full capacity by means of the automatic regulator is maintained at the pump at all times throughout the year. My Committee do not think there is any justification for the insertion of a further warranty in this connection, and I am to request you to delete this warranty from the revised Tariff.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, *15th April*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Sprinkler Discounts.

We are directed to acknowledge receipt of your letter No. 531-54 of the 8th instant in the above connection.

The Sprinkler Discount for Mofussil mills not equipped with automatic regulators was reduced from 50 per cent. to 45 per cent. in order to avoid an inconsistency which would have otherwise existed between the respective insurance premiums payable by Bombay and Mofussil mills. For example, were the discounts to be on an equal basis—50 per cent.—the Bombay mill would pay Rs. 100 and the up-country mill Rs. 100 less 5 per cent. sub-agency commission, thus giving an advantage to what is, in the opinion of our Committee, the inferior risk. It was considered therefore that the best method of removing the anomaly was by reducing the Mofussil discount to 45 per cent. thus granting an equal concession of 10 per cent. for automatic regulators to both Bombay and Mofussil mills.

Our Committee feel sure you will realise that it would be inconsistent for the Mofussil mill to enjoy more favourable terms than the Bombay risk, apart from the fact that by reducing the discount for the former to 45 per cent. (without automatic regulators), each mill receives a 10 per cent. benefit for providing the additional protection.

We trust therefore that the foregoing explanation will satisfy your Committee on the point at issue.—Yours, etc.,

A. F. FERGUSON & CO.,
Secretaries.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, *15th April*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Warranty Governing Automatic Regulators.

Your letter No. 537/54 of the 8th instant has had the careful consideration of our Committee, and in reply, we are directed to say that it is not possible for them to deal with the subject at issue on the lines of your suggestion.

As you will appreciate, experience has conclusively proved that without definite warranties in a policy, the Association is unable, either through Inspectors or otherwise, to enforce its requirements and the only manner in which the present situation could be dealt with was by the introduction of a special warranty. It was understood that the additional discount for automatic regulators was to be granted for the increased efficiency which would be thereby brought about in installations and this efficiency can only be assured by the strict observance of the conditions of the warranty.

Our Committee trust, therefore, that your Association will now realise the necessity of the new warranty and not raise any further objection thereto.—Yours faithfully,

A. F. FERGUSON & CO.,
Secretaries.

No. 598/54 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *28th April*, 1925.

MESSRS. A. F. FERGUSON & CO.,
SECRETARIES, THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your two letters Nos. 2265-A dated the 15th instant, under the following headings:—

(1) Sprinkler Discounts.
(2) Warranty Governing Automatic Regulators.

My Committee have decided that these matters should be fully discussed at a joint meeting of the Sub-Committees of our respective Associations. It is proposed to hold the joint meeting on Wednesday the 6th May, 1925, at 2-30 p.m. (S.T.) in the rooms of this Association. Will you kindly let me know whether the day and time will suit your Sub-Committee ?—Yours faithfully,

J. P. WADIA,
Acting Secretary.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, *30th April*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We beg to acknowledge receipt of your letters Nos. 597/83 and 598/84 of 28th instant proposing a joint meeting of the Sub-Committees of our respective Associations on Wednesday, the 6th May, at 2-30 p.m. (S.T.)

We regret this date will not be suitable to our Sub-Committee whose attendance is required at the weekly meeting of the Committee of this Association on that date.

We beg to suggest Monday or Tuesday next, the 4th or 5th proximo, at 3 p.m. (S.T.) as being convenient dates for our Sub-Committee.

Kindly let us know which date will suit your Sub-Committee.—Yours, etc.,

A. F. FERGUSON & CO.,
Secretaries.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 11*th June*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We regret owing to an oversight we have omitted earlier to confirm the decisions arrived at between our respective Sub-Committees at the meeting held on the 14th ultimo, *viz.*, that :—

(1) The sprinkler discount for mofussil mills where the installations are not governed by automatic regulators be increased from 45 per cent. to 50 per cent.

(2) *Automatic Regulators.*

The original wording provided that a pressure of 70 lbs. should be maintained throughout installations governed by automatic regulators, but it was agreed that this pressure be reduced to 50 lbs.

Our Committee on reconsidering the position now feel that this provision is unnecessarily high and they propose, subject to your confirmation and approval, that instead of insisting on a pressure of 50 lbs. being maintained throughout installations, the rule should read :—

"That steam for bringing the sprinkler pump into action at full capacity by means of the automatic regulator be maintained at the pump at all times throughout the year.

"That the automatic regulator be adjusted to maintain a pressure of 50 lbs. at ground level plus any additional pressure which may be required to maintain 25 lbs. pressure upon highest sprinklers."

(3) The question of obsolete sprinklers be further examined by our Association and your Association be advised hereafter.—Yours, etc.,

A. F. FERGUSON & CO.,
Secretaries.

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 17*th June*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Further to our letter of 11th instant, it has been found that a ground floor pressure of 50 lbs. will bring about approximately a 25-lb. pressure at the highest sprinklers, and in order to simplify matters, our Committee propose that the Association's rule governing automatic regulators should now read :—

"That steam for bringing the sprinkler pump into action at full capacity by means of the automatic regulator be maintained at the pump at all times throughout the year.

"That the automatic regulator be adjusted to maintain at all times a pressure of 50 lbs. at ground level."—Yours, etc.,

A. F. FERGUSON & CO.,
Secretaries.

No. 766/83 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *23rd June*, 1925.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your letters Nos. 2265-A. dated the 11th June and 2265-A. dated the 17th June, respectively, and to confirm the contents thereof.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

BOMBAY.

TARIFF FOR SPRINKLERED COTTON MILLS.

The rates herein provided apply to Sprinklered Mills and/or Sprinklered Compartments thereof only. Non-Sprinklered Mills and/or Compartments thereof are rateable under the Cotton Mills Tariff (East Indies).

List of Mills situate in the Islands of Bombay and Salsette in which some portion qualifies for fireproof rates although not conforming to the specification for fireproof construction as specified in the Rules of Construction incorporated in this Tariff, these Mills having been rated as fireproof prior to subsequent revisions.

Apollo Mill.
Bomanjee Petit Mill.
Bombay United Mill.
Century Mill No. 1.
Colaba Land & Mill Co.'s Mill.
Crescent Mill.
Currimbhoy Mill.
David Mill No. 1.
David Mill No. 2.
Dawn Mill.
Ebrahimbhoy Pabaney Mill.
Edward Sassoon Mill.
Elphinstone Mill.
Fazulbhoy Mill.
Finlay Mill.
Globe Mill.
Hindoostan Mill.
Hongkong Mill.
Jam Mill.
Jivraj Baloo Mill.
Jivraj Baloo Spg. & Wvg. Mills.
Khatau Makanji Spg. & Wvg. Mills.
Kohinoor Mill No. 1.
Madhowjee Dharamsey Mill.
Mahomedbhoy Mill.
Manockjee Petit Mill.
Meyer Sassoon Mill.
New Great Eastern Mill.
New City of Bombay Mill.
New Islam Mill.
New Kaiser-I-Hind Mill.
Phœnix Mill.
Presidency Mill.
Standard Mill.
Swadeshi Mill, Coorla.
Swan Mill.
Textile Mill.
Union Mill.
Western India Mill.

[PRINTED FOR THE USE OF THE MEMBERS OF THE BOMBAY FIRE INSURANCE ASSOCIATION ONLY.]

BOMBAY, *16th March*, 1925.

TARIFF FOR SPRINKLERED COTTON MILLS.

Applicable to the Islands of Bombay and Salsette.

NOTE.—Sprinkler protected mills in the Bombay Mofussil District may also be rated under this Tariff subject to the revised Sprinkler Discounts shewn on page 10 but it is necessary that special intimation shall have been issued annually by the Bombay Fire Insurance Association before such rating can be applied.

The rates under this Tariff *are strictly net* and subject to no discounts whatsoever other than allowances for Sprinklers, but in the case of Mofussil Mills only a Sub-Agency Commission of 5 per cent. may be allowed.

CONSTRUCTION.

IMPORTANT.—Before construction is started plans and details should be submitted to the Bombay Fire Insurance Association, for approval.

(1) *Fire proof Construction*—

The *walls* of a fire proof building or compartment are constructed of—

(*a*) Burnt bricks and/or stone } Set in lime and/or
or (*b*) Silica or sand lime bricks and/or stone } concrete and/or mortar
or (*c*) Ferro-concrete or reinforced concrete.

Timber for window frames and doors in external walls is allowed to be used.

The *roof* of a fire proof building or compartment is constructed of—

(*a*) Masonry (in which the main tie beam only may be of timber).
or (*b*) Concrete.
or (*c*) Tiles or slates on steel or iron frames (beams of teak or other hard non-resinous wood being allowed).
or (*d*) Asbestos slate on steel or iron frames, or Bell's "Big Six" Everite asbestos cement sheeting or similar material not less than ¼" thick supported by T or L iron at not exceeding 2'—3" centres in each direction on steel or iron frames.
or (*e*) Corrugated iron covered with tiles.
or (*f*) Corrugated asbestos cement sheeting covered with tiles.
or (*g*) Corrugated iron or metal sheets covered with corrugated asbestos cement sheeting.

N.B.—(1) A wooden flooring laid on a fire-proof structure is allowed without extra in buildings of fire-proof construction provided the space between the wooden flooring and the structure is filled in with concrete.

N.B.—(2) Ferro-concrete or reinforced concrete construction must in all cases conform to the Rules of the Bombay Fire Insurance Association.

(2) *Non-Fire-proof Construction*—

The *walls* of a non-fire proof building or compartment are constructed of—

(*a*) Burnt brick and/or stone } Set in lime and/or
or (*b*) Silica or sand lime bricks and/or stone. } concrete and/or mortar.

The *roof* of a non-fire proof building or compartment is constructed of—

(*a*) Tiles or slates.
or (*b*) Metal.
or (*c*) Corrugated asbestos cement sheeting.

(3) *Inferior Construction*—

Buildings or compartments which cannot be classified under headings (1) or (2) shall be treated as of inferior construction and an extra of not less than 25 per cent. on the aggregate rate (*i.e.*, normal plus additionals) for insurance shall be charged.

A shed wholly or partly open shall be rated as of inferior construction.

Composition Roofings—See page 54 of the Tariff Book.

SECTION I.

Buildings and/or compartments used for the following processes :—

	Fire proof.		Non-Fire-proof.
	Buildings.	Contents.	Buildings & Contents.
	Not less per cent. per annum than.		
	Annas.	Annas.	Annas.
(1) Dyeing (with a warranty that no drying by artificial heat will be carried on) Doubling, Reeling, Bundling, Baling, Winding, Warping, Sizing, Weaving, Finishing, Hosiery-making, and/or any other Process or Processes subsequent to Spinning or connected with Weaving, excepting Flannelette Finishing and/or Heald Dressing, Varnishing, Drying of Yarn and Cotton or Singeing	2	3	4
(2) Throstle and/or Ring Spinning and processes subsequent to Carding but previous to Spinning..	2	3	6
(3) Carding	3	4	8
(4) Mule Spinning	4	5	10
(5) Carding and/or Throstle and/or Ring Spinning in the same building or in two or more buildings communicating otherwise than by approved double fire proof doors	..	..	10
(6) Carding and Mule Spinning in the same building or in two or more buildings communicating otherwise than by approved double fire proof doors	..	..	12

NOTE.—The use of not more than two pairs of Mule Frames for spinning Weft Yarn does not render a mill liable to be rated under items (4) and (6).

NOTE.—Yarn conditioning cellars are rateable under item (1) above and are subject to the additional rates provided hereafter.

ADDITIONAL RATES.

—	Buildings and Contents. Fireproof.	Buildings and Contents. Non-Fireproof.
	Not less per cent. per annum than	
	Annas.	Annas.
1. *Height.*—If any part of the Mill be of greater height than ground-floor, for each additional non-fireproof storey	..	1½
N.B.—(1)—A mezzanine floor or loft should be treated as an additional storey when calculating this extra. (2)—Every storey, whether extending over the whole or only over part of the area on which the building stands, the ceiling of which is more than three feet above the lowest point of the land level, or ground line of the site on which the building stands, is to be computed in the number of storeys.		
2. *Night Work.*—If any process of manufacture be carried on between the hours of midnight and 5-30 a.m. (Standard Time)	3	6
3. *Artificial Light*— If any process of manufacture be carried on by Gas Light, Candles or Oil Light, other than by Mineral Oil Light..	4½	6
N.B.—(1)—Where Oil and/or Candles are used for lighting purposes the following warranty must be inserted :— Warranted that the lights are all in properly closed lanterns and that the same are filled and trimmed in a building outside the mill premises and detached therefrom, and that the oil is kept in a detached godown. (2)—When an extra premium becomes chargeable for the use of Artificial Light, the additional premium for the period required shall be calculated *pro rata* on the basis of the Policy, but the minimum charge shall be not less than half an anna per cent.		
4. *Wooden Flooring.*—If having a wooden flooring on the whole or part of the building or compartment	¾	..
N.B.—A wooden flooring laid on a fireproof structure is allowed without extra in buildings of fire-proof construction provided the space between the wooden flooring and the structure is filled in with concrete.		
5. *Felt Roofing.*—If the roof be wholly or partly constructed of felt	..	3
6. *Boiler House.*—If the Boiler House or Boiler Firing Place be within the Mill otherwise than in a fireproof compartment having no direct communication with it, or in any building outside the Mill which communicates directly with it.	3	6

SECTION II.—Mixing Rooms (Hand Mixing Only).

Buildings and/or compartments situate in Mill premises in which Cotton Mixings (that is, Cotton which has been made into heaps preparatory to being conveyed to the Blow Room) are stored or deposited :—

	Fireproof.	Non-Fireproof.
	Not less per cent. per annum than	
	Annas.	Annas.
For Buildings and Machinery	9	12
For Stock	24	24

Buildings and/or compartments in which a Porcupine Feeder or Bale Breaker and/or a Hopper Bale Opener or Breaker $\frac{\text{is}}{\text{are}}$ used are rateable under this section and these are the only machines which may be used in risks rated under this section except Automatic Exhaust Feeders in passing through which the cotton is not subjected to any process.

Note.—A Porcupine Feeder or Bale Breaker is a machine for pulling cotton by passing it through spiked or fluted rollers working in pairs or singly against bars placed horizontally, the cotton being in every case drawn by exhaust through an incombustible tube into the Blow Room.

A Hopper Bale Opener or Breaker is a machine in which cotton is opened by being placed in a hopper and passed forward between lattices fitted with steel pins, and thence over spiked rollers, thus pulling or combing it.

N.B.—(1)—The extra rates for Height, Night Work, Artificial Light and Felt Roofing are to be charged when applicable.

N.B.—(2)—An extra rate of 3 annas per cent. must be charged on a Fireproof Mixing Room and 4½ annas per cent. on a Non-Fire-proof Mixing Room having an opening or openings in the floor or walls to allow lattices from Blow Rooms to pass through.

N.B.—(3)—An Automatic Sprinkler must be fixed inside the top cover of Hopper Feeding Machines as shown in the sketch on page 58 of the Bombay Fire Insurance Association's Book of Tariffs.

Rooms or communicating compartments in which both Mixing and Blowing or any of the other processes detailed in Section III are carried on, are rateable under Section III.

SECTION III.—Blow Rooms.

Buildings and/or compartments situate in Mill premises in which Ginning, Opening (except by a Bale Breaker as described in Section II), Mixing by Machinery, Scutching or Blowing, Cop Breaking, Thread Extracting or Willowing, is carried on.

	Fireproof.	Non-Fireproof.
	Not less per cent. per annum than	
	Annas.	Annas.
Building	16	36
Machinery	24	36
Stock	40	42

Note.—The above rates for Fireproof Blow Rooms may be reduced to respectively—

Building	8	annas per cent. per annum.
Machinery	12	,, ,, ,,
Stock	32	,, ,, ,,

if warranties are inserted in the Policy (1) that no willowing and/or cop breaking and/or waste breaking and/or thread extracting and/or ginning machine is used in the department; (2) that the cotton is fed from the Mixing Room through an incombustible tube direct into machines in the Blow Room and/or is fed direct from bales lying on the floor in close proximity to the machines; (3) that no loose cotton in process is delivered or allowed to remain on the floor of the Blow Room with the exception of the finished lap.

N.B.—(1)—The extra rates for Height, Night Work, Artificial Light and Felt Roofing are to be charged when applicable.

N.B.—(2)—In the case of compartments used for Mixing (either by hand or by machinery) and in which Ginning, Opening (except by a Bale Breaker as described in Section II), Scutching, Blowing, Cop Breaking, Thread Extracting or Willowing is also carried on, an additional rate of 6 annas per cent. for Buildings and Machinery and of 12 annas per cent. for Stocks over and above the Blow Room rates must be charged.

NOTE.—These additional rates must also be applied if any of the above-mentioned processes are carried on in a compartment which communicates with a Mixing Room, unless the dividing wall be a perfect party one, any openings therein being protected by approved double fire-proof doors where, however, communication exists by means of an opening or openings to allow lattices to pass through, the extras as detailed in N.B. (2) Section II apply.

SECTION IV.—BOILER HOUSES, ENGINE HOUSES, DYNAMO HOUSES, ROPE RACES, MECHANICS' SHOPS, SMITHIES AND CARPENTERS' SHOPS.

	Fireproof.	Non-Fireproof
	Not less per cent. per annum than	
	Annas.	Annas.
For Buildings	2	3
For Contents	2	3

N.B.—(1)—Buildings rateable under this section having fireproof walls but roofed with iron may be rated as fireproof.

N.B.—(2)—The extra rates for Height, Night Work, and Felt Roofing are to be charged when applicable.

N.B.—(3)—The temporary use of Mineral Oil Vapour Incandescent Lamps, such as the Kitson and Washington Lamps, is allowed in risks under this section for the purpose only of carrying out repairs provided the oil container is kept outside any part of the building.

N.B.—(4)—Warranted that no yarn and/or cotton be dried and/or deposited in the boiler house.

SECTION V.—COTTON WASTE MILLS.

Spinning Mills and Buildings in which preparatory processes are carried on (Blowing, Mixing, Carding, Roving, etc.) } extra 20 per centum.

Manufacturing Section and Buildings in which processes preparatory to Weaving are carried on (Winding, Warping, Sizing, etc.)	extra 10 per centum.

above the rates applicable to the Buildings and/or Compartments under the Tariffs.

N.B.—(1)—The above extras are not to be applied to Weaving Sheds.

N.B.—(2)—The above extras need not be charged in the case of Mills running a Waste Plant for working up their own waste only, but otherwise the extras should be charged.

SECTION VI.—Special Risks.

	Buildings and/or Contents Fire-proof. Not less per cent. per annum than	Non-Fireproof. Not less per cent. per annum than
	Annas.	Annas.
1. Buildings and/or Compartments wholly or partly occupied for the Raising of Cotton Cloth by machinery	9	15
2. Buildings and/or Compartments in which yarn and/or cotton is dried by Steam Pipes, and/or Hot Air Pipes with a warranty that no singeing of cloth is done	9	12
3. Buildings and/or Compartments of Dye Houses in which 'Simplex' Patent Drying Machines are erected on sealed cement bases subject to a warranty that no stock will be stored outside the machine within 10 feet	6	7½
4. Buildings and/or Compartments in which singeing of cloth is done either by fire, heat, gas jets or electricity ..	18	24
5. Buildings and/or Compartments in which Healds are dressed, varnished or dried	12	18
6. Buildings and/or Compartments in which gassing of yarn is done by gas jets	15	21
7. Buildings and/or Compartments in which any process not provided for under this Tariff is carried on will be rated specially.		

N.B.—(1)—The extra rates for Height, Night Work, Artificial Light, and Felt Roofing are to be charged when applicable.

SECTION VII.

(*a*) Silent Mills.

The rates for all Risks rateable under the Tariff, while Silent (*i.e.*, while the Machinery is standing, and not worked for manufacturing purposes), are 2 and 3 annas per cent. per annum for Buildings and Contents, respectively, for Fireproof Risks, and 6 annas per cent. per annum for Non-Fireproof Risks except where the Working net rates are less than the above, in which case the Silent rate shall be the same as the Working net rate.

When a Mill is insured at Silent rates it is permissible to allow the Machinery to be worked occasionally for the purpose of keeping it in good order, but no cotton or other material may be passed through the Machines.

Permission to work the Cards only may be granted on payment of an extra premium of ¾ anna per cent. per annum for Fire-proof Mills, and 1½ annas per cent. per annum for Non-Fireproof Mills, but subject to the following warranty :—

"Warranted that during the currency of this Policy no Cotton or other material will be passed through any Machinery excepting the Cards."

Should it be necessary to work the Machinery in the Blow Room full working rates must be charged for that room.

NOTE.—No allowance or return of premium is to be made on a Mill becoming silent, except on cancelment of an Insurance and/or after charging the Short Period Rates for the portion of the year during which work has been carried on, but where a Mill has been silent for a continuous period of not less than fifteen days, a return may be made on the *pro rata* basis.

(*b*) MILLS IN COURSE OF CONSTRUCTION OR RE-CONSTRUCTION.

	Not less than annas per cent. per annum. Fire-proof.	Non-Fireproof.
	Annas.	Annas.
Mills and other buildings in Mill Compounds in course of construction or re-construction including Machinery	2	2
Machinery in Mill Compound	Two annas per cent.	

Cotton Lofts and other Rooms used for Storage Purposes only are rateable under the Cotton Mills Godowns Tariff.

GENERAL CONDITIONS.

In all cases in which a building or compartment is rateable under more than one section of the Tariff, the highest rate applicable is to be charged.

1. *Cotton in the open.*—When Cotton and/or Waste and/or Gunnies other than in original pressed bales and/or other hazardous goods is deposited in open sheds or in the open within 50 feet of any building or stack of cotton rateable under this or the Cotton Mill Godowns Tariff the highest rate applicable to any such risk or risks shall in all cases apply over all.

CONSTRUCTION.

2. *Adjoining Buildings.*—When two or more buildings or compartments adjoin, the highest rate applicable to any one of them is to be charged on all, unless the separation is by perfect party walls.

N.B.—A perfect party wall is a wall of burnt brick, silica or sand lime bricks or stone set in lime and/or concrete and/or mortar not less than 18 inches in thickness at any part carried through and at least 2 feet above the roof and having no openings therein, except for shafts, straps, and steam, gas or water pipes (the said openings not being of more than sufficient size for the purpose, and in no case exceeding 4 square feet in area), and/or openings protected by approved fire-proof doors.

In the case of fireproof buildings having a roof of masonry or concrete it is not necessary that the dividing walls should be carried through and above the roof.

3. *Communicating Buildings.*—Two or more buildings or compartments separated by perfect party walls, but communicating otherwise than by openings protected by approved double fire-proof doors are to be charged the highest rate applicable to any one of such buildings or compartments, except in the case of openings to Rope Races, Staircases and Hoists which may be deemed sufficiently protected by approved single fire-proof doors.

4. Buildings or Compartments having windows or openings overlooking the roofs of adjoining buildings or compartments (except roofs of concrete or masonry) and buildings or compartments which have opposing openings within 10 feet of each other must not be treated as separate risks for rating purposes unless the windows and/or openings are protected by fire-proof doors or shutters or by wired glass approved by the Committee of the Association.

NOTE.— It is understood that the above Condition is not retrospective but applies to buildings or compartments which have been erected or altered on or after the 31st December, 1912.

5. *Fire-proof Doors* must in all cases be constructed in accordance with the rules of the Bombay Fire Insurance Association in force at the time they are erected.

6. *Wooden Dados* are allowed to be affixed to the walls of buildings of fire-proof construction provided the dados are of teak or other hard non-resinous wood not less than one inch in thickness and not more than three feet in height ; the boards to be securely fixed to timber built into the wall and allowing no air space between the boarding and the wall.

7. *Partial Insurances.*—In the case of buildings partly of Fire-proof construction the Fire-proof compartments may be treated as separate buildings, but otherwise it is not permissible to issue Policies covering certain portions only of any building rated under this Tariff. Every insurance on buildings must (except as abovementioned) apply to the whole structure above the plinth, and it is not permissible to issue a policy covering specified Machines only or parts of Machines or Accessories in any one compartment excluding from the Insurance the remaining Machinery in the compartment. Engines and Boilers may, however, be excluded from the insurance.

8. *Warranties.*—Every Policy is to contain the following warranties :—

Warranted that all sweepings be removed outside the Mill and from all buildings communicating therewith daily.

Warranted that no mineral oil is allowed to be used, except for lubricating and cleaning machinery, and for power, the oil to be stored in accordance with the requirements of the Bombay Fire Insurance Association.

Policies on buildings (and their contents) must contain the following warranty unless the extra of 25 per cent. for construction is charged :—

" Warranted that the walls of the building ___ hereby insured ___ containing the goods hereby insured ___ are of burnt bricks silica or sand lime bricks and/or stone set in lime and/or concrete and/or mortar or of ferro-concrete or reinforced concrete."

" Warranted that no fire-wood be stored within 50 feet of the property insured."

9. *Artificial Light.*—When an extra premium becomes chargeable for the use of Artificial Light the additional premium for the period required shall be calculated *pro rata* on the basis of the Policy, but the minimum charge shall be not less than half an anna per cent.

Where oil and/or candles are used for lighting purposes the following warranty must be inserted :—

" Warranted that the lights are all in properly closed lanterns, and that the same are filled and trimmed in a building outside the Mill premises and detached therefrom, and that the oil is kept in a detached godown."

SCALE OF ALLOWANCES FOR APPLIANCES FOR THE EXTINCTION OF FIRES KEPT OR SITUATE ON THE PREMISES INSURED.

	Bombay Mills Percentage of premium.	*Mofussil Mills* Percentage of premium.
1. Having an Automatic Sprinkler Installation, *approved by the Association,* in addition to such Appliances *also approved by the Association,* as would, in the absence of such Installation, entitle the Assured to an Allowance of not less than 5 per cent.	50	45
2. Having an Automatic Sprinkler Installation *and an Automatic Regulator* approved by the Association and at all times maintained in good working order in addition to such Appliances also approved by the Association, as would, in the absence of such Installation, entitle the Assured to an allowace, of not less than 5 per cent.	60	55

Discount for Fire Extinguishing Appliances will be advised on receipt of Plans and full particulars of proposed appliances.

PROVISIONS APPLICABLE TO POLICIES IN RESPECT OF WHICH ALLOWANCES ARE MADE FOR FIRE EXTINGUISHING APPLIANCES.

The following clauses must be inserted in the Policy :—

It is hereby agreed and understood that, in consideration of the Special Allowance of .....per cent. made off the rates of premium on account of the Automatic Sprinkler Installation and other Extinguishing Appliances erected for protection against fire in the premises hereby insured :—

1. Care be taken during the currency of this Insurance to keep pumps for Sprinkler and Hydrant Services with the suction and delivery valves in good working order.

2.(*a*) That steam for working the pumps shall be kept up at all times throughout the year in at least one of the boilers.

(*b*) That steam for bringing the sprinkler pump into action at full capacity by means of the automatic regulator be maintained at the pump at all times throughout the year. A minimum water pressure of 70 lbs. should be maintained throughout the installation.

3. That the sprinkler tank shall be emptied and cleaned out at least once every six months, and that at all other times care be taken to keep the tank filled with fresh water.

4. That care be taken to keep the valves in connection with the Sprinkler Installation in proper working order, and that the main stop and alarm valves be secured open by means of rivetted or padlocked straps.

5. That a staff of not less than.....men will be instructed in the use of the Fire-extinguishing Appliances, and that they will be practised therein at least once a fortnight. Also that they will always be on the premises for immediate action in the event of fire, whether the Mill is working or not working.

6. That, when it is proposed to empty the Installation for purposes of repairs or any other reason, notice be first given to the offices interested, provided always that, if in the case of emergency it is found necessary to empty the Installation such

notice may be dispensed with, but in every case the machinery must be stopped working before and during the time the supplies of water to the Installation are shut off.

7. In case it shall, at any time during the currency of this Policy, be ascertained that the Insured has failed to comply with any of the above conditions, the allowance granted in respect of Sprinklers and other Fire-extinguishing Appliances shall be refunded in full as from date of commencement, or last renewal of the Policy.

And it is further understood that violation of any of the above conditions shall not affect or vitiate this Policy, nor have any effect other than to confer on the Insurance Company the right of claiming the refund of the said Special Allowance in the manner aforesaid. The Committee of the Bombay Association are to be the sole judges of whether or not any of the above conditions have been violated.

The following is a list of the Appliances above referred to :—

[Here to follow list of Appliances.]

The allowance on buildings and contents of risks, fitted with Sprinklers and rateable under either the Cotton Mill or Cotton Mill Godowns Tariffs, must not exceed 25 (or 15) per cent. which is the maximum allowance under the Cotton Mill Godowns Tariff.

E.g., a non-fireproof building of ground-floor and 1 storey is occupied on ground-floor as godown for Cotton Bales and on the 1st floor as Reeling Room. Such a building might be rated under the Mill Tariff at 4 annas *plus* 1½ annas for height=5½ annas or under the Godowns Tariff at 8 annas. If rated under the Mill Tariff the discount for Sprinklers would be 50 or 60 per cent., but to pay at that rate would obviously defeat the provision of the Cotton Mill Godowns Tariff, fixing the maximum allowance at 25 (or 15) per cent. and the discount must therefore not exceed 25 (or 15) per cent.

The principle to be followed is that whichever Tariff gives the higher net rate is to be applied.

NOTE.—Fire pumps may be driven by electricity, but before discount is sanctioned, such pumps must have been approved and passed by the Committee of the Bombay Fire Insurance Association.

SHORT PERIOD RATES.

Not exceeding 3 days	5 per cent.	of the Annual Rate but not less than 1/16 per cent.
Exceeding 3 days but not exceeding 10 days	10 ,,	
,, 10 ,, ,, ,, 1 month	20 ,,	of the Annual Rate.
,, 1 month ,, ,, 1½ months	25 ,,	,,
,, 1½ months ,, ,, 2 ,,	30 ,,	..
,, 2 ,, ,, ,, 3 ,,	40 ,,	
,, 3 ,, ,, ,, 4 ,,	50 ,,	..
,, 4 ,, ,, ,, 5 ,,	60 ,,	
,, 5 ,, ,, ,, 6 ,,	70 ,,	..
,, 6 ,, ,, ,, 7 ,,	75 ,,	..
,, 7 ,, ,, ,, 8 ,,	80 ,,	..
,, 8 ,, ,, ,, 9 ,,	85 ,,	..
,, 9 ,, ,, ,, 10 ,,	90 ,,	
,, 10 ,, ,, ,, 11 ,,	95 ,,	,,
,, 11 ,, ...		The full Annual Rate.

APPENDIX 42.

STANDARD TEST FOR EFFICIENCY OF SPRINKLERS.

No. 187.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, *9th April*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Morris "B" Sprinklers.

In accordance with the understanding arrived at with your Association in May 1922 with reference to the question of sprinklers declared by this Association to be obsolete, when it was decided that efficiency should in all cases be the sole test, we are directed to pass on to you for your information the results of a test carried out by our Inspector of 12 sprinkler heads of the Morris "B" type installed at the Rachel Sassoon Mill.

We may add that the millowners in question have been asked to replace the defective sprinkler heads within a reasonable time.—Yours, etc.,

A. F. FERGUSON & CO.,
Secretaries.

Results of a Test carried out by the Association's Inspector, of 12 Sprinkler Heads, of "Morris B" Type.

1st Head.—The sprinkler was heated to a high temperature under 7 lbs. pressure and the pressure gradually raised to 50 lbs. The link fused but did not open until struck, then valve opened and distribution was satisfactory.

2nd Head.—Sprinkler heated to high temperature under pressure from 24 lbs. increased to 40 lbs. The link and levers did not drop, but valve commenced to leak after about 2 minutes.

3rd Head.—Sprinkler of new appearance. Heated at 8 lbs. increasing to 40 lbs. Same result as No. 2.

4th Head.—Sprinkler heated at 20 lbs., link and levers dropped but valve did not open till pressure was raised to 30 lbs.

5th Head.—Sprinkler opened at 9 lbs. pressure after short heating.

6th Head.—Sprinkler heated at 7 lbs. increased to 15 lbs. After two minutes valve leaked but link did not open.

7th Head.—Fused and opened at 20 lbs. after long heating.

8th Head.—Fused and opened at 32 lbs. after long heating.

9th Head.—Heated at 10 lbs. pressure increased to 15 lbs. Fused after about 2 minutes' heating.

10th Head.—Fused after about 2 minutes at 11 lbs. pressure.

11th Head.—Fused after about 2 minutes at 11 lbs. pressure.

12th Head.—The link was heated slightly and forced apart by hand, levers removed, and it was found that the valve had considerable adhesion to the seating.

The above sprinklers were all actually in the flame of the blow lamp during the whole test and probably attained a temperature of about 500° Fahr. or 600° Fahr.

No. 544/83 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *15th April,* 1925.

MESSRS. E. D. SASSOON & CO.,
AGENTS, THE E. D. SASSOON UNITED MILLS, LTD., BOMBAY.

DEAR SIRS,

Early in 1922, the Bombay Fire Insurance Association notified that certain makes of sprinklers were " obsolete " and should be replaced by sprinklers of the approved type. This Association took up this matter with the Bombay Fire Insurance Association, and it was eventually agreed that efficiency was to be the sole test of sprinklers installed in a mill whether these sprinklers be of the so-called " obsolete " type or of the approved type. It was further agreed that in case the Bombay Fire Insurance Association found the sprinklers in any mill which was a member of this Association to be in inefficient order and they deemed it necessary that these sprinklers should be replaced, they should inform this Association of their decision. In accordance with this arrangement, the Bombay Fire Insurance Association have addressed a letter to this Association as per copy enclosed herewith in connection with the sprinklers installed in your Rachel Sassoon Mill. Will you kindly let me know if you have any comments to make in connection with this matter, so that the Committee of the Association may consider same at their next meeting to be held on Monday, the 20th instant.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 316/8161.

E. D. SASSOON BUILDING,
DOUGALL ROAD, BALLARD ESTATE,
BOMBAY, *28th April,* 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We have to acknowledge receipt of your letter of the 15th instant, and are arranging to replace the Morris "B" type sprinklers at the Rachel Sassoon Mill with sprinklers of an approved make.

We should, however, esteem it a favour if you will take up the whole question with the Bombay Fire Insurance Association and ascretain exactly what they would consider the test an efficient sprinkler should undergo, as the Morris "B" Sprinklers would all come into action in the mills where the pressure in the mains is 60 lbs.—Yours, etc.,

E. D. SASSOON & CO., LTD.,
Agents.

No. 597/83 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *28th April*, 1925.

MESSRS. A. F. FERGUSON & CO.,
SECRETARIES, THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

Morris "B" Sprinklers.

With reference to your letter of the 9th instant, No. 187, my Committee have decided that the subject should be fully discussed at a joint meeting of the Sub-Committees of our respective Associations. It is proposed to hold the joint meeting on Wednesday, the 6th May, 1925, at 2-30 p.m. (S.T.) in the rooms of this Association. Will you kindly let me know whether the day and time will suit your Sub-Committee ?—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 1670.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, *11th September*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Obsolete Type of Sprinklers: "Witter" Modified Type with Tripping piece.

With reference to the correspondence interchanged last year on the above subject with regard to the agreement arrived at in May 1922 that efficiency should in all cases be the sole test for sprinklers, we are directed to inform you that the Inspector has recently been carrying out tests of "Witter" sprinklers fitted in various mills, as in many cases this type has been found to be functioning far from satisfactorily.

We are directed to attach copies of our Inspector's reports on the various installations from which it will be seen that their performance in no case can be termed satisfactory. Our Committee therefore consider that mills so fitted should be asked to instal new sprinklers of an approved type and they do not think that when furnished with a report of the tests they will object to do so. They suggest that a period of 6 months is a very reasonable period for the work, but before taking any action, they place the matter before you, as agreed.—Yours, etc.,

A. F FERGUSON & CO.,
Secretaries.

Enclosures:—Copies of reports on Bombay United Mill (now known as Swadeshi Mill No. 2), Coorla Mill, Khatau Makanji Mill, Dawn Mill, Currimbhoy Mill, Birla Mill No. 2 (late Indo-China Mill) and Alexandra and E. D. Sassoon Mills.

P.S.—In the case of the Swadeshi Mill No. 2, we may add that in view of the urgency of the matter, the mill people have guaranteed to replace the defective sprinklers in Block 12 by "Grinnell" type within one month from 22nd ultimo.

Inspector's Report dated 12th June, 1925.

SWADESHI MILL NO. 2 (*late* BOMBAY UNITED MILLS).

Report on the Performance of the Sixteen Sprinkler Heads (Witter Modified Pattern with Tripping Piece).

1st Head.—The solder fused after long heating under 30 lbs. pressure in the flame of low lamp but the link moved very sluggishly allowing the valve to partially open causing the

valve to leak badly and resetting the solder. No tripping piece was attached to the deflector of this head, and the hinge of link was tightly jambed with verdigris.

2nd Head.—Link fused and dropped after strong heating but beam and valve did not release themselves even though the pressure was raised to 45 lbs.

The beam dropped while being removed from the apparatus but valve still adhered to the seat despite the spring pressure behind it.

3rd Head.—Same result as Head No. 1 with pressure at 36 lbs. The tripping piece on this sprinkler has been fitted on the wrong side of the screw head in beam.

4th Head.—Result was the same as No. 1 Head.

5th Head.—Tested without pressure—held in flame of blow lamp. Link dropped but beam and valve did not move.

6th Head.—Fused and opened satisfactorily at 30 lbs. pressure.

7th Head.—Fused and opened under 20 lbs. pressure, but beam lodged in deflector and prevented valve from falling clear, thus causing inefficient distribution of water.

8th Head.—Fused and opened satisfactorily at 18 lbs. pressure.

9th Head.—Fused and opened at 23 lbs. pressure, but beam was held up by deflector causing inefficient distribution.

10th Head.—Tested under 10 lbs. pressure. Same result as No. 7 Head. Tripping piece was fixed on wrong side of deflector.

11th Head.—Tested under 7 lbs. pressure with same result as No. 7 Head. Tripping piece was on wrong side of deflector.

12th Head.—Commenced to fuse when tested under 7 lbs. pressure but link did not drop though sprinkler was heated until the deflector was red hot. Pressure increased to 13 lbs. Link and beam fell but valve adhered to its seat, without leaking.

13th Head.—The beam of this sprinkler was lying over on one side before test.

Fused and opened at 13 lbs. pressure.

Tripping piece was on wrong side of deflector.

14th Head.—Tested at 30 lbs. pressure. Link dropped sluggishly about 1/16″ and valve leaked, resetting the solder and preventing further action. The hinge of the link was badly jambed with dirt.

15th Head.—Fused and opened at 20 lbs. pressure, but beam and valve were held up on tripping piece which was mounted on wrong side of deflector.

16th Head.—Partially fused at 10 lbs. pressure, but link and beam did not drop until subjected to a blow. Deflector was red hot. Valve adhered to its seat and did not leak.—Yours faithfully,

T. K. W. NORTH,
Inspector.

23rd June, 1925

COORLA MILL—WITTER MODIFIED SPRINKLERS WITH TRIPPING PIECE.

I beg to report having tested the six sprinkler heads which were removed from departments, and submitted for the purpose from the above-named mill, and the following is the

result of the test carried out in the usual way. Each sprinkler was in the hottest part of the flame of the blow lamp throughout the test.

1st Head.—Test commenced at 18 lbs. pressure. Link fused and dropped at 1/16 inch only. Pressure raised to 22 lbs. No further result although deflector became red hot.

2nd Head.—Tested at 12 lbs. pressure. Link fused and dropped sluggishly. Valve, and beam did not move.

The beam was evidently jambed between tripping piece the lug supporting one end of the beam, and the cavity on the underside of the valve.

3rd Head.—Tested at 30 lbs. pressure. Fused very reluctantly; link opened about 30 seconds after the deflector was red hot. The beam fell and rested on the deflector thus interfering with the correct distribution of the water.

4th Head.—Tested at 20 lbs. pressure. Deflector became red hot with no result. Pressure raised to 30 lbs.—no result; pressure raised to 40 lbs.—no result. The sprinkler opened while being removed owing to clumsy handling.

5th Head.—Tested at 38 lbs. Opened satisfactorily but tripping piece was on the wrong side of the deflector and the beam on falling rested on the tripping piece, and prevented the valve from fully opening.

6th Head.—Tested at 30 lbs. pressure. Link and beam dropped but valve remained seated and did not leak despite this high pressure.—Yours faithfully,

T. K. W. NORTH,
Inspector.

20th August, 1925.

CURRIMBHOY MILL.

Result of Test made on the 19th instant of the Obsolete Witter Sprinkler Heads with Tripping Piece taken from the above Mill.

1st Head.—Would not open at 10 lbs. pressure after 3 minutes. Leaking very profusely at the valve.

2nd Head.—Fused and opened at 10 lbs. pressure after 2½ minutes.

MIXING ROOM:

3rd Head.—Fused and opened after 12 seconds. 17 lbs. pressure.

4th Head.—Fused and opened after 1½ minutes. 14 lbs. pressure.

REELING DEPARTMENT:

5th Head.—Fused and opened after 30 seconds. 11 lbs. pressure.

6th Head.—Fused and opened after 60 seconds at 11 lbs. pressure, but the beam lodged in the deflector.

BLOW ROOM:

7th Head.—Fused and opened, nut and valve was stuck to the seating and could not be moved at high pressure.

8th Head.—Fused but would not open after 4 minutes, commenced to leak at the valve. 14 lbs. pressure.

CARD AND FRAME DEPARTMENT:

9th Head.—Fused and opened satisfactorily at 12 lbs. pressure after 17 seconds.

10th Head.—Fused and opened, but valve adhered to the seat and would not move 12 lbs. pressure.—Yours faithfully,

W. A. CARDWELL,
Assistant Inspector.

27th July, 1925.

KHATAU MAKANJI MILL.

Results of Test of Obsolete type Witter Sprinklers with Tripping Piece.

1st Head.—This was badly verdigrised. The head was tested at 12 lbs. pressure, the link fused and dropped 1/16" after prolonged heating and allowed the valve to leak. The water flowed down on to the link and reset the solder preventing further action.

2nd Head.—Fused and opened when tested at 12 lbs. pressure.

3rd Head.—Leaking before test. This sprinkler had no tripping piece.

4th Head.—Leaking before test. This sprinkler had no tripping piece.

5th Head.—Tested under 12 lbs. pressure and opened satisfactorily.

6th Head.—Fused and opened at 10 lbs. pressure.

7th Head.—Leaking before test. This sprinkler had no tripping piece.

8th Head.—Fused and opened at 10 lbs. pressure but valve and strut were hung up and jambed on the deflector.

9th Head.—This sprinkler had no deflector. Opened at 10 lbs. pressure.

10th Head.—Heated at 10 lbs. pressure opened satisfactorily.—Yours faithfully,

T. K. W. NORTH,
Inspector.

20th August, 1925.

ALEXANDRA AND E. D. SASSOON MILLS.

Result of Test on Obsolete type Witter Sprinklers with Tripping Piece received from the above Mills.

1st Head.—Fused and opened at 19 lbs. after 15 seconds.

2nd Head.—Fused and opened at 15 lbs. after 20 seconds.

3rd Head.—Tested at 30 lbs. pressure for 4 minutes. Leaked at valve which prevented solder from fusing properly.

4th Head.—Tested at 28 lbs. Opened after one minute.

5th Head.—Fused and opened at 24 lbs. after 30 seconds.

6th Head.—Heated at 23 lbs. pressure. Fused, but valve stuck and did not open until 30 lbs. applied.

7th Head.—Fused and opened satisfactorily in 12 seconds. 12 lbs. pressure.

8th Head.—Fused and opened satisfactorily after 11 seconds. 10 lbs. pressure.

9th Head.—Fused and opened after 40 seconds. 16 lbs. pressure.

10th Head.—Fused after 2 minutes but did not open. Leaking from the valve. 10 lbs. pressure.

11th Head.—Fused and opened satisfactorily after 14 seconds. 10 lbs. pressure.—Yours faithfully,

W. A. CARDWELL,
Assistant Inspector.

20th August, 1925.

BIRLA MILL NO. 2 (*late* INDO-CHINA).

The following is a result of the test of Obsolete Witter Sprinkler Heads with Tripping Piece.

1st Head.—Opened at 14 lbs. satisfactorily.

2nd Head.—Leaking valve. Opened at 9 lbs. after long heating.

3rd Head.—Leaking valve. Opened at 20 lbs. after long heating.

4th Head.—Opened very slowly at 11 lbs. 106 seconds.

5th Head.—Opened at 30 lbs. after 17 seconds.

6th Head.—Opened at 30 lbs. after 36 seconds.

7th Head.—Opened at 34 lbs. after 24 seconds.

8th Head.—Opened at 16 lbs. after 38 seconds.

9th Head.—Opened at 27 lbs. after 27 seconds.

10th Head.—Fused at 20 lbs. after 20 seconds. But did not open until 45 seconds.—Yours faithfully,

W. A. CARDWELL,
Assistant Inspector.

22nd July, 1925.

DAWN MILL.

Result of Test on Obsolete type Witter Sprinklers with Tripping Piece.

1st Head.—Tested under 15 lbs. water pressure. Link fused and fell reluctantly. Valve jambed and did not release even when pressure was raised to 30 lbs.

2nd Head.—Tested under 30 lbs. water pressure. Opened after long heating.

3rd Head.—Tested under 10 lbs. pressure. Opened satisfactorily.

4th Head.—Tested under 8 lbs pressure. Link fused and dropped but beam was hung up on deflector, spoiling the distribution.

5th Head.—Fused and opened at 15 lbs. pressure.

6th Head.—Fused and opened at 18 lbs. pressure.

7th Head.—Fused at 15 lbs. pressure. Link dropped but beam and valve were jambed, and did not open.

8th Head.—Fused and opened at 13 lbs. pressure.

9th Head.—Fused and opened at 12 lbs. pressure after long heating.

10th *Head.*—Fused at 12 lbs. pressure. Beam and valve jambed on yoke thus spoiling distribution.

11th Head.—Tested at 15 lbs. pressure. Link fused and dropped 1/16" only. Valve commenced leaking and reset the solder. The deflector of this sprinkler was badly bent.—Yours faithfully,

T. K. W. NORTH,
Inspector.

No. 1212/83 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *19th October*, 1925.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

You will remember that at the joint meeting of the Sub-Committees of our respective Associations held on 14th May, 1925, there was some difference of opinion as to what test an efficient sprinkler should undergo. It was arranged that you should go into the question fully with the Fire Office Company, London, and inform this Association in due course of the result of your investigations. (*See* the last para of your letter No. 2265-A, dated 11th June.)

My Committee will be pleased to hear further from you on this subject, as early as possible, in order to be able to deal with your letter of 16th September regarding "Witter" Sprinklers.—Yours, etc.,

T. MALONEY,
Secretary.

No. 1269/83 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *28th October*, 1925.

THE SECRETARIES,
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to request you kindly to expedite your reply to my letter No. 1212/83 dated the 19th October, in order that my Committee may consider the suitability of the standard test of efficiency for sprinklers which you propose should be adopted in Bombay.—Yours, etc.,

T. MALONEY,
Secretary.

No. 1670.

THE BOMBAY FIRE INSURANCE ASSOCIATION,
BOMBAY, 30*th October*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Obsolete Sprinklers.

We are directed to acknowledge the receipt of your favours of the 19th and 28th instant and regret the delay in responding to your enquiry on the above subject.

Our Committee have gone very carefully into the general question resultant on the discussions which took place between our respective Sub-Committees on the 14th of May last. It will be remembered that at that meeting reference was made to a letter addressed to your Association on the subject of the obsolete sprinklers at the Rachel Sassoon Mill. Your Sub-Committee fully realised that when an installation was found to be faulty it was only reasonable that replacement should be called for, but they contended that the test of sprinklers should be that of efficiency, *i.e.*, that in the case of certain makes of sprinklers which have been declared by the Fire Offices' Committee (Foreign), London, to be obsolete, provided such sprinklers were found to operate satisfactorily and serve the purpose for which they were erected, replacement should not be insisted upon. With this view our Committee are in agreement.

At the meeting above referred to Mr. Stones raised the question as to the pressure under which sprinklers were tested by our Inspectors. That gentleman felt, as also the other members present, that sprinklers should be tested under approximately fire conditions, and considered that while it was possible that certain old types would not open at a high temperature with, say, only a 10-lbs. water pressure, such sprinklers would operate satisfactorily were the pressure increased to that which would obtain on an outbreak of fire. Our representatives agreed to go carefully into this question and endeavour to furnish your Association with some details as to what would be regarded as an efficiency test.

Our Committee have given the subject very exhaustive attention, and we are attaching to the present letter details of the Association's testing apparatus for sprinklers, from which your Committee will observe that our tests are carried out at a high temperature, and also at a pressure which can be regulated from 80 lbs. per square inch downwards. Regarding the point raised by Mr. Stones that certain old types might not open at a high temperature with only 10 lbs. water pressure, whereas under a greater pressure they would function efficiently, we desire to advise that sprinklers when efficient should open under any water pressure, *i.e.*, that the temperature alone should put the sprinkler into action. Moreover, in this connection we would like to draw your attention to the fact that in many mills in Bombay the water pressure at the highest sprinklers is approximately 10 lbs. only, and such a mill would hardly be entitled to the large discount now enjoyed were the sprinklers not capable of coming into action at that pressure in the event of fire.

We feel sure that your Committee will appreciate that it is the desire of this Association to give every consideration to your members in relation to sprinklers, and it is not the intention to insist upon replacement except in cases where, consequential upon tests, conditions are found to be unsatisfactory, and it will be realised that it is in the mutual interests of both millowners and insurance companies to have installations in good order, apart altogether from the question of discount, as non-operation at the time of fire would result in serious losses to each side.

Except by agreeing to the principle of efficiency being the test, it is difficult, if not impossible, to lay down hard and fast regulations other than those detailed in our Sprinkler Rules, as each installation has necessarily to be treated on its individual merits. We have deliberated on the question of approaching the Fire Offices' Committee (Foreign) on this particular point, but have felt it more prudent not to do so, the chief reason being that several

installations in Bombay which are regarded by us as efficient would be considered as obsolete by the London body. In fact they have already passed a ruling to this effect in relation to certain types, but we have invariably supported the principle of efficiency being the test and have not called for replacement otherwise.

Regarding the several installations anent which we have approached you in relation to replacement, we think that you would be convinced both as to the fairness of our test and the state of the sprinklers by attending a practical demonstration, and if representatives of your Association would be good enough to intimate a day and time convenient to them, we should be happy to make the necessary arrangements. We feel sure that in this manner any differences which may exist between our respective bodies in regard to the testing of sprinklers will be cleared up.

We would add that our Committee are fully prepared to consider any views put forward by your Association both on the general subject and with particular reference to the period for replacement being reasonably extended.—Yours, etc.,

A. F. FERGUSON & CO.,
Secretaries.

Details of the Association's Testing Apparatus for Sprinklers.

1. Water under pressure is contained in a small pressure tank of about 10 gallons capacity, and the pressure is capable of being increased from 0 to 80 lbs. per square inch by means of a small hand-operating air pump.

2. From the pressure tank a three-quarter inch pipe is led to the inside of a glass-panelled cabinet, and the sprinkler to be tested is fixed to the end of this pipe, consequently the sprinkler is under water pressure at the time of testing in the same way as it would be when installed in a mill and the pressure can be varied and raised if necessary, after a sprinkler has fused to note at what pressure it will open.

3. Heat is applied to the sprinkler by means of a kerosene oil blow lamp with high temperature flame.

4. The heat in the cabinet can be gradually raised by placing the blow lamp near the bottom, or the flame can be directed on to the sprinkler.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 28*th October*, 1925.

Report by the Technical Advisory Sub-Committee.

TO THE COMMITTEE,

We submit herewith a report for consideration of the Committee on the question of Witter sprinklers.

The Fire Insurance Association, in September last, submitted a report to the Association more or less condemning Witter sprinklers as unsatisfactory and suggesting their replacement within six months in all mills affected.

The results of certain tests made by the Fire Insurance Association's Inspectors were also sent to the Association.

In view of the agreement arrived at between our Association and the Fire Insurance Association last year that efficiency should be the sole test for sprinklers, and that the results of efficiency tests should be placed before a joint meeting of the Associations, the Fire Insurance Association asked for the opinion of the Committee on the results of the tests and the suggestion that orders should be issued for replacement within a period of six months.

After very careful consideration of the papers submitted by the Fire Insurance Association and the replies received from the mills concerned, regarding the results of the tests conducted in their especial cases, we suggest:—

(1) That the Fire Insurance Association should be requested to submit for the Association's consideration, a definite standard for efficiency against which any type of sprinklers may be tested. It is obviously impossible for the Association to express any definite opinion as to whether the replacement of Witter sprinklers is generally necessary or desirable unless both our Associations have an accepted common basis upon which to arrive at conclusions, and similar difficulties are bound to arise in future.

In the present instance, the individual mills are in some cases unconvinced as to the inefficiency of their sprinklers, and in the interests of harmonious relations, it is undesirable that such a position should be allowed to exist if it can in any way be avoided.

(2) That efficiency tests of sprinkler should, in every case, be conducted in the presence of the chief engineer of the mill concerned and after due notice being given to the agents that a test is to be made.

The reasons for this suggestion are similar to those put forward in support of a standard test, namely, the avoidance of the probability of different conclusions by the Fire Insurance Association's Inspectors and the mill authorities.

(3) That when a satisfactory arrangement has been arrived at regarding (1) and (2) proposals, fresh tests should be made of the efficiency of any Witter sprinklers installed in Bombay City and Island mills and replacement or non-replacement ordered in accordance with the result of that test.

(4) It might also be pointed out that in the case of complete installations in large mills, a period of six months for replacement of condemned sprinklers would certainly not be sufficient. The time for replacement should be in accordance with the magnitude of the work and should be ordered at the rate of a reasonable number of sprinklers per month.

RATANSI D. MORARJI,
T. WATTS,
FRED STONES,
S. D. SAKLATVALA,
COWASJEE DORABJEE PANDAY.

T. MALONEY, (*Secretary*).

No. 1317/83 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 11*th November*, 1925.

MESSRS. A. F. FERGUSON & CO.,
SECRETARIES, THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to acknowledge the receipt of your letter of the 11th September enclosing copies of your Inspectors' reports regarding tests carried out on the 'Witter' sprinklers installed at the mills named in your letter. My Committee note that in your opinion these sprinklers are functioning far from satisfactorily and ought to be replaced.

2. My Committee's initial difficulty in dealing with your letter is that there has been no agreement between them and your Committee as to a definite standard for efficiency against which any of the sprinklers might be tested. In the present instance, the individual mills

are in some cases unconvinced as to the inefficiency of their sprinklers, and you will doubtless agree that in the interest of harmonious relations such a position should not be allowed to exist if it could possibly be avoided.

3. My Committee are therefore pleased to note from your letter of the 30th October that you propose to go fully with them into the question of the fairness of your tests and the state of the sprinklers in question, by arranging a practical demonstration. The Technical Sub-Committee of this Association, with three leading mill engineers co-opted will be pleased to attend these demonstrations, and it should be then possible from the results to work up a series of tests which should be considered the basis for efficiency. The question whether the 'Witter' sprinklers at the different mills mentioned in your letter should be replaced or not will have therefore to be held over until these demonstrations take place, and a common understanding is arrived at between our respective Associations as to what constitutes the standard test of efficiency in the case of sprinklers.

4. I am directed to add that in my Committee's opinion, the efficiency tests of sprinklers should, in every case, be conducted in the presence of the chief engineer of the mill concerned and after due notice to the agents that a test is to be made. The reasons for this suggestion are similar to those put forward in support of a standard test—namely, the avoidance of the probability of different conclusions by your Inspectors and the mill authorities.

5. My Committee further desire me to point out that if the tests of a particular sprinkler installation are such as to make replacement absolutely necessary, sufficient time should be given to mills for replacements in accordance with the magnitude of the work. The period of six months suggested by you is much too short in the case of large installations, and my Committee suggest that replacement should be ordered at the rate of a reasonable number of sprinklers per month.

6. My Committee trust the suggestions made in para 4 and 5 above will meet with your approval, and they now await your further advices as to when you propose to hold the demonstrations.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 43.

REVISED PACKING INSTRUCTIONS ISSUED BY INDIAN RAILWAYS.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *7th March*, 1925.

To

THE COMMITTEE.

DEAR SIRS,

In accordance with the Resolution passed by the Committee at their meeting held on 16th February, 1925, I attended the meeting of the Traffic Committee of the Indian Railway Conference Association at Calcutta on 20th February, 1925, in connection with the proposed new packing conditions. The other Chambers represented at the Conference were the Indian Merchants' Chamber, the Bengal Chamber of Commerce, the Upper India Chamber of Commerce and the Punjab Chamber of Commerce.

2. A copy of the finally revised packing conditions was sent to members of the Committee on the 11th February, 1925, and as the members are aware, so far as the mills are concerned, the only condition sought to be imposed was that from 1st June to 15th October each year, the goods should be packed "in water-proof cloth, tarpaulin, or other covering capable of keeping out water or oil." The words "water or oil" were, however, substituted by the word "wet" in the copies of the revised rules distributed at the Calcutta Conference.

3. Mr. Ryan of the Upper India Chamber of Commerce made a long speech criticising the revised rules in detail, but on all points the attitude of the Railway Agents was quite uncompromising, and they appeared to be very obdurate so far as the condition to use "some covering capable of keeping out wet" during the monsoon months was concerned.

4. Looking to the attitude of the Railway Agents, I thought it best to say that the present packing of bales by cotton mills already fulfilled the condition required by the Railways during the monsoon, as the pitch-paper, etc., used by the mills was calculated to "keep out wet." In order that disputes might not unnecessarily arise, I suggested that it would be best if the railways were to go into the matter once for all with the Association and certify that the packing usually given by the cotton mills fulfilled the condition required by the railways. This suggestion was accepted by the railways. Mr. Robinson of the B. B. & C. I. Railway afterwards told me that no trouble would arise if mills were using pitch-paper or some such material.

5. Since the conference, no official communication has been received from the Railways.—Yours, etc.,

J. P. WADIA,
Assistant Secretary.

No. 3384/41.

INDIAN RAILWAY CONFERENCE ASSOCIATION,
ALLAHABAD, *6th April,* 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Packing Conditions for Piece-goods.

I am directed to enclose herewith an extract copy of Resolution 841 of the Proceedings of Meeting No. 41 of the Traffic Committee which was held in February 1925 and to invite your attention to the revised packing conditions for piece-goods recommended therein.

2. I am to state that the packing conditions for bazar-packed bales of piece-goods were brought into force from 1st April, 1925, and the conditions recommended for imported piece-goods will be introduced from 1st June, 1925.—I have, etc.,

(Sd.) ILLEGIBLE,
Secretary.

Extract from the Proceedings of Meeting No. 41 of the Traffic Committee held in Calcutta in February 1925.

REVISED PACKING CONDITIONS FOR PIECE-GOODS.

During the discussion of this subject, the following gentlemen were present :—

MR. A. J. CARTER .. *Representing the Bengal Chamber of Commerce.*

MR. G. V. LEWIS .. *Representing the Punjab Chamber of Commerce.*

MR. J. G. RYAN .. *Representing the Upper India Chamber of Commerce.*

MR. J. K. MEHTA .. *Representing the Indian Merchants' Chamber and Bureau, Bombay.*

MR. J. P. WADIA .. *Representing the Bombay Millowners' Association.*

RESOLUTION 841.—1. After considering the objections received to the proposed packing conditions for piece-goods and hearing the views of the representatives of the Chambers of Commerce and the Millowners' Associations present at the meeting, the Traffic Committee recommend that, as regards *Indian* piece-goods, both press-packed and not

press-packed, no alterations should, for the time being, be made in the conditions for packing as laid down in the General Classification of Goods, in force prior to August 1924 (reproduced below); and that these conditions be introduced from 1st April, 1925, each railway in addition retaining its local conditions in force prior to August 1924:—

Consignments of *bazar-packed bales of piece-goods* are accepted at railway risk, only when the following conditions are fully complied with, otherwise these consignments are accepted at owner's risk only, under risk note form A:—

(1) Bazar-packed bales of piece-goods, irrespective of size or weight, must be tightly secured with iron bands, and the space between the edges of such iron bands must not exceed five inches in width. These iron bands will be secured in two directions round the bales, namely, lengthwise and breadthwise.

(2) The outer gunny covering of the bale must be securely stitched.

(3) Each bale must have the name of consignee and the station of destination clearly painted on it.

2. As regards *Imported* piece-goods, the Traffic Committee recommend that the following conditions should apply from 1st June, 1925:—

Imported piece-goods, cotton or woollen, in bales press-packed.

(1) Must be bound with iron bands and packed in thick paper, then water-proof pitch paper and finally covered with double canvas. A declaration that the packing is in accordance with these conditions must be entered on the Consignment Note by the consignor.

(2) Each bale must bear the name of consignee and station of destination in English or Vernacular, in addition to the private marks required by Rule 18 of the General Classification of Goods, before it is despatched by rail.

Imported piece-goods, cotton or woollen, packed in boxes or cases.

(1) Boxes or cases must not be covered with gunny and must either be tin lined or the contents must be covered with thick paper and water-proof pitch paper. A declaration that the packing is in accordance with these conditions must be entered on the Consignment Note by the consignor.

(2) Each box or case must bear the name of the consignee and the station of destination in English or Vernacular, in addition to the private marks required by Rule 18 of the General Classification of Goods, before it is despatched by rail.

No. 541/41 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *9th April*, 1925.

THE SECRETARY,
THE INDIAN RAILWAY CONFERENCE ASSOCIATION, ALLAHABAD.

DEAR SIR,

Packing Conditions for Piece-goods.

I am directed to acknowledge receipt of your letter No. 3384/42, dated 6th April, 1925, together with the accompaniments referred to therein, and to tender you my Committee's best thanks for same.

2. My Committee are pleased to note that so far as Indian piece-goods are concerned no alteration is to be made in the conditions for packing which were in force prior to August 1924.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 44.

RAILWAY TERMINAL FACILITIES IN BOMBAY.

No. 1330-P.

GOVERNMENT OF INDIA,
RAILWAY DEPARTMENT, (RAILWAY BOARD),

SIMLA, 15*th July*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

Terminal Traffic at Bombay.

SIR,

Your Association is, it is believed, already aware that it has been decided to have a thorough investigation made into the railway terminal facilities at Bombay and that Mr. C. W. Lloyd Jones, Agent and Chief Engineer of His Exalted Highness the Nizam's Guaranteed State Railway Company, who has undertaken the enquiry, has started on his investigations.

2. I am directed, therefore, to enclose for the information of your Association a copy of the terms of reference which have been given to Mr. Lloyd Jones. I am to express the hope that he may have the benefit of the co-operation of all who are interested in the trade of Bombay.

3. Mr. Lloyd Jones' address is Taj Mahal Hotel, Bombay.—I have, etc.,

P. C. KAPUR,
for *Secretary, Railway Board.*

Terms of reference to Mr. C. W. Lloyd Jones, Agent and Chief Engineer, H. E. H. The Nizam's Guaranteed State Railway Company (appointed by the Railway Board) to investigate and report on railway terminal facilities in Bombay.

1. In view of the several development schemes for the improvement of terminal facilities of the two important railway systems which serve Bombay, the Railway Board have decided that it is desirable to have a comprehensive investigation by an independent expert in order that the efforts of the two administrations may be co-ordinated with a view to securing for the public the most convenient railway arrangements consonant with cheap fares and charges.

2. It is desired that the investigation should take into consideration the adequacy of the existing arrangements for—

(*a*) Goods traffic,

(*b*) Suburban passenger traffic,

(*c*) Long-distance passenger traffic,

and that a comprehensive report should be submitted with recommendations for improving the present facilities to meet present and future requirements of these several classes of traffic and co-ordinating the work of the two railways and the Port Trust Railway in order that unnecessary overlapping of functions may be avoided.

3. The report should show the results of an examination into the relative advantages and disadvantages of (*i*) dealing with all long-distance passenger traffic at Victoria Terminus or (*ii*) providing a separate terminal for the Bombay, Baroda and Central India traffic on the west of the island in the vicinity of Grant Road.

4. As regards goods traffic, it is considered that there is at present a good deal of overlapping and duplication of effort which must necessarily result in unnecessary expenditure.

5. The report therefore should deal comprehensively with the requirements of trade in regard to the export and import of various classes of goods and in relation to the supplies needed for local and up-country consumption and should suggest measures for obtaining the best possible service either by modifying present systems of working or by readjustment of existing facilities.

6. The two railway administrations will co-operate in the enquiry and will place at the disposal of the investigating officer such staff as may be necessary to assist him in considering the various aspects of the problem.

TAJ MAHAL HOTEL,
BOMBAY, 21*st July*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Please refer to the Railway Board's letter No. 1330-P of 15th July, 1925, deputing me to investigate and report on the terminal facilities of Bombay. The terms of reference necessitate a consideration of (*a*) goods traffic, (*b*) suburban passenger and (*c*) long-distance passenger. The present reference to you, is with regard to long-distance passenger traffic.

It has been decided to dismantle the B. B. & C. I. Railway from Church Gate to Colaba and in consequence it is necessary to provide a new terminal for B. B. & C. I. long-distance trains, to replace the present terminal station at Colaba. Two alternative schemes have been proposed, *viz* :—

(*a*) the construction of a new B. B. & C. I. terminal station at Bellasis Road near Grant Road ;

(*b*) the diversion of all B. B. & C. I. long-distance trains at Elphinstone Road, *via* the G.I.P., into Victoria Terminus. It is intended to alter and extend Victoria Terminus in any case.

It has been contended that very considerable economies will be effected in both capital and working expenses by the second scheme ; on the other hand it has been suggested that Bellasis Road is a more convenient station for the public than is Victoria Terminus and that increased traffic at Victoria Terminus would cause serious congestion to road traffic.

When the alterations to Victoria Terminus, which have been sanctioned, are completed, all classes of suburban traffic will be dealt with in the present main building. The station will be extended to the east ; upper class long-distance passengers will use a new station building to the east of the present building and third class long-distance passengers will use a third class waiting hall to be built in Hornby Road near the existing third class hall and the old Salvation Army building.

I request an expression of opinion as to which of the two proposals for dealing with long-distance passenger traffic would best serve public requirements. Under the first scheme all B. B. & C. I. long-distance trains would start and terminate at Bellasis Road, whereas under the second scheme all B. B. & C. I. long-distance trains would start and terminate at Victoria Terminus stopping at Byculla *en route*.—Yours, etc.,

C. W. LLOYD JONES.

No. 979/113 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *24th August*, 1925.

C. W. LLOYD JONES, ESQ.,
TAJ MAHAL HOTEL, BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter dated 21st July, 1925, on the subject of terminal facilities of Bombay.

2. My Committee have carefully considered the two proposals mentioned in your letter for dealing with long-distance passenger traffic and they are of the opinion that for reasons indicated below it would be most inadvisable to divert all B. B. & C. I. long-distance trains at Elphinstone Road, *via* the G.I.P., into the Victoria Terminus.

3. I am directed to point out that if the population of Bombay goes on increasing at the present rate of increase, then the Victoria Terminus station will, even if enlarged, prove inadequate in 20 or 30 years' time to handle long-distance traffic. Moreover, if Victoria Terminus is very much enlarged it will seriously interfere with the Wadi Bunder Goods Depot which, as it is, is getting congested.

4. My Committee are therefore in favour of the proposal to construct a new B.B. & C.I. terminal station at Bellasis Road in view of the decision to dismantle the B. B. & C. I. Railway from Churchgate to Colaba.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 45.

PREPAYMENT OF FREIGHT ON COAL.

No. 532/81 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *8th April*, 1925.

AMRITLAL OJAH, ESQ.,
c/o MESSRS. KHENGARI AMRITLAL & CO., CALCUTTA.

DEAR SIR,

Under instructions from Mr. N. N. Wadia, the Chairman of the Association, I circulated among the members of my Committee your letter* to him dated the 7th March, 1925. Your letter was perused with much interest by my Committee who at their last meeting discussed the question of prepayment of freight on coal raised in your letter. They agreed with you that the system was objectionable also from the point of view of consumers, inasmuch as there are sometimes serious shortages, which means that the mills lose not only the value of coal, but the amount of freight on it. If freight was payable at destination, consumers could insist on reweighment and pay freight on actual weight.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

* Not published.

No. 813/TD. 209-2/23.

INDIAN MINING FEDERATION,
CALCUTTA, 15*th April*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed to refer to your letter No. 532/81 dated the 8th instant addressed to Mr. A. L. Ojha, the Vice-Chairman of the Federation, in connection with the proposed reversion to a system of 'to pay' consignment of coal. The Committee wonder if your Association have decided to address the Railway Board on this subject. It need hardly be added that they should feel much grateful for any assistance which your Association may render them in this direction.

2. The favour of an early reply is requested.—Yours, etc.,

(ILLEGIBLE)
Secretary.

No. 612/81 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 5*th May*, 1925.

THE SECRETARY,
THE INDIAN MINING FEDERATION, CALCUTTA.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. 813/TD. 209-2/23 dated 15th April, 1925, on the subject of the present system of prepayment of freight on coal, and to state in reply that my Committee have decided to defer consideration of the matter until the publication of the report of the Indian Coal Committee.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 783/81 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 26*th June*, 1925.

THE CHIEF SECRETARY TO THE GOVERNMENT OF INDIA,
COMMERCE DEPARTMENT, SIMLA.

SIR,

Under directions of my Committee, I have the honour to address you on two of the subjects dealt with by the Indian Coal Committee in their recently published report.

2. My Committee are greatly disappointed at the fact that the Indian Coal Committee have not seen their way to recommend reductions in railway freights to centres of the cotton mill industry like Bombay and Ahmedabad. Sir Thomas Sievwright Catto, presiding at the Annual Meeting of the Bengal Coal Company last December, very truly said :—

> "I want to emphasise that coal freights on the E.I.R. and B.N.R. are far too high and are not justified in the present condition of the industry, when we are fighting for our very existence not only in foreign markets but in our own national markets like Bombay and Karachi . . . . . Freight rates must be fixed to encourage and not to kill the industry : rates to put us on a level with foreign railways-subsidised coal which ousts us now from our home markets and abroad."

The resolutions passed by the Associated Chambers of Commerce in 1923 and 1924 afford further indication of the strong feeling prevailing on this subject in important commercial and industrial circles. I am directed to state that the existing rates of railway freight are much too high and act as a handicap to the cotton mill industry, and my Committee desire to urge upon Government, with all the emphasis at their command, the necessity for reducing the freight on coal railed to Bombay and Ahmedabad.

3. The second point on which my Committee desire to address Government is the hardship inflicted by the prevailing system of prepayment of railway freight on coal. In my Committee's opinion, there never was any justification for the introduction of this system, and they think Mr. Banerjee in his minute of dissent has made out an unanswerable case for its abolition and for the reversion to the system of "to pay freight."

4. Moreover, even from the consumers' point of view the present system of prepayment of freight on coal is objectionable in view of the fact that there are sometimes serious shortages, and the mills lose not only the value of coal, but the amount of freight paid on it. If freight was payable at destination, consignees would be able to insist on reweighment and to pay freight on actual weight only.

5. My Committee therefore are strongly of opinion that the existing system of prepayment of freight on coal should be abolished, and the previous system of "to pay freight" should be reverted to.—I have, etc.,

J. P. WADIA,
Acting Secretary.

No. 454-T (M).

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
SIMLA, *4th July*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

Reduction in Freights on Coal to Bombay and Ahmedabad and Abolition of the System of Prepayment of Freight on Coal.

SIR,

I am directed to acknowledge the receipt of your letter No. 783/81 dated the 26th June, 1925, on the above subject and to say that it has been transferred to the Railway Department (Railway Board) for disposal.—I have, etc.

L. SEN,
Assistant Secretary to the Government of India.

APPENDIX 46.

PROPOSED LICENSED WEIGHERS FOR COAL IN BOMBAY.

No. 33/14072 of 1924-25.

BOMBAY PORT TRUST,
BOMBAY, *6th February*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re: Proposed Licensed Weighers for Coal in Bombay.

I beg to request that you will kindly express your views on the following points in connection with the proposed establishment of licensed weighers of coal in Bombay :—

(1) Whether the present system for weighment is unsatisfactory.

(2) Whether the establishment by the Port Trust of a system of weighment would prove satisfactory.

(3) What would be the likelihood of continuous employment of such an establishment as entertained by the Port Trustees.

2. An early reply will be much appreciated.—Yours, etc.,

(ILLEGIBLE),
Acting Deputy Manager.

No. 285/61 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *17th February*, 1925.

THE MANAGER,
BOMBAY PORT TRUST, BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. 33/14072 dated the 6th February in connection with the proposal to introduce licensed weighers of coal in Bombay.

After careful consideration, my Committee have reached the conclusion that as far as the mills are concerned a system of licensed weighers is absolutely unnecessary for the very obvious reason that weighment is at present being carried on in the presence of buyers and sellers and that the coal is reweighed at the mills ; moreover, they fail to see that any advantage would accrue by the employment of licensed weighers.

As regards the second and third questions, contained in your letter, my Committee can hardly express an opinion unless more detailed proposals are placed before them.—Yours, etc.,

T. MALONEY,
Secretary.

APPENDIX 47.

LICENSE FOR KEEPING COAL.

THE MANOCKJEE PETIT MANUFACTURING CO, LTD.,
BOMBAY, *15th April*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We beg to inform you that we have been served with a notice by the Municipal Commissioner of Bombay requiring us under Section 394 of the Municipal Act to pay a license fee of Rs. 10 for keeping coal near the Bleaching Department of our Manockjee Petit Mill at Tardeo. We hold a license in respect of the Dyeing Department there and the coal is used in this connection. We are, therefore, paying the said fee under protest and have requested the Municipal Commissioner to send us a list of the commodities that are exempted from the operation of the above-mentioned section under sub-clause (5).

We write this to you with a view to your taking the necessary action in the matter as it involves a question of principle.—Yours, etc.,

FOR THE MANOCKJEE PETIT MFG. CO., LTD.,
D. M. PETIT, SONS & CO.,
Agents.

No. 635/86 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *8th May*, 1925.

THE MANECKJI PETIT MANUFACTURING COMPANY, LIMITED,
BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your letter of the 15th ultimo regarding the license-fee demanded from you by the Municipal Commissioner and to state in reply that under instructions from the Committee of the Association I have addressed a letter to the Municipal Commissioner as per copy enclosed herewith.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 627/86 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *6th May*, 1925.

THE MUNICIPAL COMMISSIONER
FOR THE CITY OF BOMBAY, BOMBAY.

SIR,

I have the honour, under directions of my Committee, to address you on Section 394(5) of the Bombay Municipal Act which reads as below :—

> "Nothing in this section shall be deemed to apply to mills for spinning or weaving cotton, wool, silk or jute or to any other large mill or factory which the Commissioner may from time to time with the approval of the Standing Committee specially exempt from the operation thereof."

2. In accordance with the above sub-section, cotton mills and factories are exempted from payment of license fees, but it has recently been brought to my Committee's notice that a license fee of Rs. 10 was demanded from the Maneckji Petit Manufacturing Company, Limited, for keeping coal near their Bleaching Department.

3. This demand of a license-fee from a big factory is, in my Committee's opinion, contrary to the spirit of the above sub-section, and they will be pleased to know under what circumstances this demand was made by the Municipality.

4. My Committee respectfully submit that the above sub-section exempts not only spinning and weaving mills from the payment of license-fees, but empowers you to likewise exempt all big factories, and they are unanimously of the opinion that it is not right or proper that bleach houses and other big factories should be asked to pay license-fees more especially when such factories are parts of large mills even if they are located outside mill compounds.

5. My Committee trust that you will be pleased to issue instructions to your Assessment Department not to demand any license-fees from big factories. Although the amount of license-fee may be insignificant, on a question of principle my Committee will be pleased to have an assurance from you that the precedent sought to be created in the case of the Bleaching Department of the Manockji Petit Manufacturing Company, Limited, will not be repeated in the future.

6. My Committee understand that the Manockji Petit Manufacturing Company, Limited, have paid the license-fee under protest, and they trust you will be good enough to issue orders for the refund of this license-fee.—I have, etc.,

J. P. WADIA,
Acting Secretary.

THE MANOCKJEE PETIT MANUFACTURING CO., LTD.,
BOMBAY, 12*th May*, 1925.

THE ACTING SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We beg to acknowledge receipt of your letter No. 635/86 dated the 8th instant, and the enclosure thereto, and convey hereby to your Committee our thanks for having taken up the question regarding the payment of license-fee for keeping coal near the Bleaching Department of our Manockjee Petit Mill at Tardeo, demanded by the Municipal Commissioner.—Yours, etc.,

R. D. MODI,
Secretary.

No. 740/86 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 12*th June*, 1925.

THE MUNICIPAL COMMISSIONER
FOR THE CITY OF BOMBAY, BOMBAY.

SIR,

I have the honour to invite your attention to this Association's letter No. 627/86 dated 6th May, 1925, regarding the license-fee demanded from the Manockji Petit Manufacturing Company, Limited, and to request you kindly to favour the Association with an early reply thereto.—I have, etc.,

J. P. WADIA,
Acting Secretary.

No. L/615-B of 1925-26.

BOMBAY MUNICIPALITY,
BOMBAY, 15*th August*, 1925.

THE ACTING SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

With reference to your letter No. 740/86 dated the 12th June, 1925, addressed to the Municipal Commissioner, I have the honour to say that the Municipal Commissioner has been pleased to decide, with the approval of the Standing Committee, that the Dyeing and Bleaching Factory at No. 3, Bellasis Road Bridge Low Level South, belonging to Messrs. The Manockji Petit Manufacturing Company, Limited, should be exempted from the operation of Section 394 of the Municipal Act.

The license-fee paid by the Company will therefore be refunded to them in due course.—I have, etc.,

(ILLEGIBLE),
Acting Superintendent of Licenses.

No. 965/86 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 19*th August*, 1925.

MESSRS. THE MANOCKJI PETIT MANUFACTURING COMPANY, LIMITED,
BOMBAY.

DEAR SIRS,

I beg to forward you herewith a copy of the letter received from the Superintendent of Licenses, Bombay Municipality, for your information and necessary action.— Yours, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 48.

THE TELEPHONE COMPANY.

TAX FOR THE MESSAGE RATE SYSTEM.

BOMBAY TELEPHONE COMPANY, LIMITED,
BOMBAY, *23rd July*, 1925.

THE CHAIRMAN,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

System of Charges.

Under instructions from my Board, I have the honour to lay before you the position of the Bombay Telephone Company, Limited, in this connection.

Hitherto a flat rate per Exchange line has been charged and this at the present time is Rs. 300 per annum for a business line and Rs. 210 per annum for a residential line, the maximum charge permitted by the Government of India under the license to the Company being Rs. 350 per annum.

The use of the telephone which not many years ago was considered as much a luxury as a necessity, has spread so rapidly during the last ten years in Bombay as to necessitate a frequent revision not only of the charges but even of the system itself in order to meet the changing conditions. It is a generally accepted fact that the value of a telephone service to the public to a great extent depends on the number of lines connected to the system. The greater the number of lines the greater is the intrinsic value of a connection to each individual subscriber. Also from the Company's point of view every new line put on means a potential increase in the calling rate of all existing lines.

In Bombay the demand for telephone connections due to trade boom conditions completely outran the supply in the years 1920-21-22. The Company, in spite of the most strenuous efforts to keep pace with the demand, had no less than 4,000 unsatisfied demands for new connections on its books in July 1923.

To meet this demand the old manual system was scrapped and the new automatic system installed at a very considerable cost to the Company. Work was pushed on with underground cabling to take the extra 4,000 lines and last year for the first time the Company was in a position to satisfy all likely demands with a thoroughly up-to-date plant and with sufficient cable already laid for a future expansion of the system. Unfortunately owing to bad trade conditions the bulk of the new applications did not materialise and the Company found their position completely reversed, with an efficient system capable of carrying 11,000 lines and only about 60 per cent. of them required. One clear fact transpired from investigation into the thousands of ineffective applications, namely, that the existing flat rate was too high to attract the small user now that values and incomes had settled down after the boom to a more stable level.

Having to carry the deadweight of such a large proportion of non-revenue-producing plant, the whole question of the Company's service demanded careful investigation. The total number of lines in use remained almost stationary, lines being given up as rapidly as new connections were put on. As a result of the trade slump there was considerable change in the subscribers and it was almost impossible to obtain sufficient data in such changing conditions to show whether in estimating a potential capacity of 11,000 lines for Bombay in 1922 the Company had erred on the high side or not. It soon became increasingly clear that not until the telephone could be brought within easy reach of the small user, to whom a lump sum payment of Rs. 300 or Rs. 210 was out of the question, was it possible to tap a new field for expansion, because the large users were strictly limited and had already been fully

connected. The considerable unsatisfied demand in 1920-22 had come from smaller users who doubtless during the boom had seen their way clear to paying for a telephone, but who after the slump were either not traceable orr eturned replies to the effect that they no longer required the connection applied for. It was therefore clear to the Board that only by some method of reducing the charge for telephones to attract the small user was it possible to expand the service to the degree required and provided for.

After consulting experts from England and after examining the results obtained in Calcutta by the introduction of a message rate system and after careful enquiry from all classes of users and prospective users in Bombay by means of canvassers, the Directors came to the conclusion that the position in Bombay could only be retrieved by so adjusting the charges for the services as to make it available in the only direction of larger expansion, namely, the small user.

Except possibly in the early stages when the telephone is first introduced, a flat rate where the small user pays the same price as the large user is thoroughly unsound both from the revenue-producing point of view as well as from the public service point of view with the result that practically the whole of Europe has adopted the message rate and America has started to do so. The sound commercial principle that services should be paid for in proportion as they are used, is now applied almost universally in the case of all public utility services such as railways, electric light and power, post and telegraphs. Perhaps one of the best examples is that of the old London "Two-Penny Tube" where originally the fare was *2d.* no matter what the length of the journey might be. It was not until the authorities grasped the uneconomic basis of this charge and varied it according to the distance travelled, that the tube became popular as a quick and cheap means of conveyance for the public and remunerative to the Company as a profit-earning concern. It is unnecessary to cite further examples of what has now become a recognised economic fact.

The same argument applies to the flat rate charged for telephone service in Bombay. The large business users whose calling rate may be 80 calls per day pays the same rate of Rs. 300 as the small business man whose rate is 10 calls a day. This on the face of it is inequitable and a distinct burden on the small user who in reality is paying for the big users' excess service. The result of this inequitable system is that the telephone is a luxury beyond the pockets of a man of small means, and the large user has obtained what to him is almost a necessity at very much under the market price.

At the present time the Company has in Bombay the following Exchange equipment which is in use only to the extent indicated :—

Exchange.	*Capacity.*	*In use.*	*Not in use.*
Central	7,000 lines.	4,633 lines.	2,337 lines.
Gell Street ..	4,000 ,,	2,058 ,,	1,942 ,,

In order to attract the small user it is necessary to adopt a scale of charges which will permit of his paying less than the present minimum rates.

If, however, the present minimum rates are reduced, then it is necessary that the flat rate should be abandoned, as the conditions frequently experienced of increasing turnover automatically reducing unit costs do not obtain in the case of the telephone, owing to the cost of making communication with all other users available to each new user being greater after a certain point, as the total number of users increases, and for this reason it is impossible to obtain the necessary revenue by a mere reduction of the flat rate charge however large an increased number of users might result. In this connection, I would refer to the extract from the Departmental Committee 1920 Report regarding "Cost as Development proceeds" on page 32 of the Report of the Bengal Government Telephone Committee on the Message Rate system of charges for the Telephone Service.

It must, however, be borne in mind that the proper unit of the cost to the user is the cost of a call, not the charge per instrument, and from this it follows that the equitable basis of the charging for the service must also be the number of calls.

It would therefore appear—

(1) that it is desirable to increase the number of subscribers in order to increase the utility of the telephone;

(2) that such an increase can only be brought about by decreasing the charges to small users;

(3) that the only practicable method of making such a decrease of charges possible is to base charges mainly on the number of calls.

It is obviously essential that any such scale of charges should be such as will produce sufficient revenue to pay the expenses incurred in providing the same. It is also necessary for the protection of the real user of the telephone as well as of those providing the service, that some minimum charges should be made, regardless of the smallness of the extent the service is used, to cover the cost of installation and to pay interest and provide depreciation on the capital expenditure necessitated by each installation. For the reasons outlined above, the remaining expenses of the service should be borne by the subscribers in proportion to the calls they make.

The above requirements seem to be best met by the introduction of the message rate system of charges. My Board can see no good reason to differ from the conclusions reached after very full enquiry by the Bengal Government Telephone Committee and they have accordingly decided to apply to the Government of India for leave to introduce the following scale of charges already sanctioned for, and put into force, in Calcutta:—

For Exchange Telephone Service.

Installation fee payable at the time of signature of the contract for an exchange line to be fitted .. .. Rs. 30

This charge only to be made in respect of a new installation.

Fixed rental for an exchange line .. .. Rs. 12 per mensem.
Call charges .. .. 12 calls per Rupee.

Provided that if less than 90 calls are made within any one month the subscriber to be entitled to a refund of Rs. 2 from the fixed rental but to pay for calls at 10 to a rupee.

A discount of 5 per cent. from the charge for calls to be allowed for prompt payment.

A deposit of Rs. 50 as security for the due payment of telephone charges to be made by subscribers in such cases as the Company thinks proper to demand the same.

In doing so they are fortified by the fact—

(1) that the message rate has, in fact, been adopted in almost all large centres throughout the world;

(2) that it is equitable in its incidence as that it tends to improvement in efficiency of service, owing to the elimination of a considerable portion of unnecessary calls, and encourages large users to have an adequate number of exchange lines with consequent reduction in the number of unsuccessful calls due to lines called being engaged;

(3) for the small user it provides service at a low cost in proportion to its use and payable in for the most part monthly instalments which must appeal to the man of small but regular income,

Experience bears out the view that the introduction of the message rate will result in :—

A. Increased efficiency,
B. Increased number of users,
C. Increased utility,

and that these results will be followed by the number of useful calls increasing which will tend to decrease the cost per call to the user.

One of the arguments which has frequently been used against the message rate is the risk of inaccurate charges being made by the Company and consequent disputes arising between the subscribers and the Company. The automatic system overcomes this objection as calls would be recorded automatically by meters and the element of human error is thereby eliminated ; moreover, only effective calls where the caller actually obtains connection with the number called, would be so registered by the meters.

In placing the matter before you it has been thought best to set out only the more salient features and to send as an accompaniment the report of the Bengal Government Telephone Committee in which the whole subject is dealt with in considerable detail. I am also asked to state that if any further information is desired, I shall be happy to endeavour to supply it or to meet any representatives who may be appointed by your Association for the purpose of discussing any questions arising. My Board will be pleased to receive any comments or suggestions that your Association may have to make after perusing these papers.—I have, etc.,

R. H. PARKER,
Secretary.

Extract from the Departmental Committee 1920 *Report regarding " Cost as Development Proceeds."*

It may be well to anticipate the common criticism that the unit costs of the telephone service may be expected to fall as the system extends, and that the present high prices should be met by stimulating the development of the service instead of by raising the tariff, which will tend to restrict it.

Experience, however, shows that there is no net reduction in costs as development proceeds. Administrative, accounting and other overhead charges do not, of course, increase in the same ratio as the number of telephones or calls, and further standardisation and mass production may effect some reduction in the cost of the particular items of apparatus. It is also true that as the number of lines in an area increases, the unit cost of the line plant tends to fall, since it becomes economical to replace overhead wires by underground cables carrying large numbers of circuits, with relatively small annual charges for depreciation and maintenance ; and the larger the number of subscribers to be served, the greater becomes the capacity of the cable system which can profitably be laid, and the smaller the average cost per wire in the area.

But the savings under these heads are neutralised by the increased complexity, and cost of the Exchange plant and of the operating arrangements, which are required to give a large number of subscribers inter-communication with each other. The equipment of a small Exchange, which can be worked by one or two operators, is relatively simple and cheap. At a large Exchange, the subscribers' lines have to be distributed among many operators, and although each operator has only to answer the calls originated by subscribers in her own group, she must be provided with means, by what is known as " multiple " equipment, to establish connection with any line in the Exchange. Thus the cost per line for multiple exchanges of different capacities, each equipped for the average calling rate, would work out in a single Exchange area approximately as follows :—

		£	
For	200 subscribers	7.0	per line.
	1,000 ,, ...	10.0	,,
	5,000 ,, ...	11.2	,,
	10,000 ,, ...	12.3	,,

Again, a populous area requires not one but several large Exchanges, between which inter-communication must be provided by means of an elaborate system of junction wires which expands in an increasing ratio as the number of Exchanges grows. London, for example, with 150,000 subscribers' lines and 81 Exchanges, requires some 17,000 junction circuits with over 150,000 miles of double wire, while Manchester, with 20,000 subscribers' lines and 23 Exchanges, has about 1,850 junction circuits with 8,000 miles of double wire. Additional switchboards of special type are required for junction working, and these increases the cost per line for Exchanges in a large local area to the following average figures :—

		£	
For	200 subscribers	8.0	per line.
	1,000 ,, ...	13.2	,,
	5,000 ,, ...	14.6	,,
	10,000 ,, ...	17.0	,,

Additional operators have to be provided to serve the junction circuits and, further, the time required to deal with a junction call (and hence the operating cost) is greater than when the call can be completed on the home exchange.

Whereas an operator at a large self-contained Exchange of modern type could handle the calls from about 147 subscribers' lines, it is necessary, with the same daily number of calls per subscriber, to provide an operator for every 72 lines in a large multi-exchange area, which necessarily has a high proportion of junction traffic.

Speaking generally, the economies in plant construction which accompany development in any area are neutralized by the expenditure which results from the increased complication of the plant and operating methods required to furnish inter-communication. The advantage therefore which the individual subscriber must look for, from the development of the system, lies not in a prospective reduction of his subscription, but in the increase in the number of persons with whom his telephone gives communication.

BOMBAY TELEPHONE COMPANY, LIMITED.,
BOMBAY, *20th October*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Message Rate.

With reference to my communication on this subject dated the 23rd of July last, I am directed by my Board to lay before you the following further information which has been received from Calcutta and which clearly demonstrates (1) that the average amount paid under the Message Rate System of Charges is less than the average amount payable under the Bombay Flat Rate System of Charges, (2) that the system is a great attraction to the small user.

For the month of September, out of 6,800 lines 4,167 obtained a refund from the fixed rental, because their calls were less than 90. In other words, 61.2 per cent. had bills for the month amounting to less than Rs. 19 each. Of the total of 6,800 lines 1,990 were "residence" and the balance 4,810 were "business." A certain number of residence lines made more than 90 calls during the month, but even assuming that all residences had made calls under that limit there must still have been 2,177 business lines which were also paying under Rs. 19 per month.

The average rental for the month on all telephones worked out at Rs. 20-9-10 for the month, or after deducting 5 per cent. allowed for bills for calls if paid within 10 days, Rs. 20-7-2. As further evidence that the message rate continues to appeal to the public and especially to the small business man, the following figures relating to the contracts for new lines coming in are illuminating :—

Week ending

—	Aug. 5th	Aug. 12th	Aug. 19th	Aug. 26th	Sept. 2nd	Sept. 9th	Sept. 16th	Sept. 23rd	Sept. 30th	Oct. 7th
Business	22	26	33	20	14	21	10	23	12	22
Residence	13	15	11	11	10	10	19	15	9	21

The number of business lines applied for is week by week larger than the number of residence lines.—Yours, etc.,

R. H. PARKER,
Secretary.

No. 5136-G/24.

REVENUE DEPARTMENT,
BOMBAY, 18*th November*, 1925.

THE SECRETARY
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*Telephone Charges—Message Rate System of.*

I am directed by the Governor in Council to forward a copy of the letter dated 21st July, 1925, from the Bombay Telephone Company addressed to the Government of India, Department of Industries and Labour, and to request that this Government may be favoured with the views of your Association on the subject.—I have, etc.,

DAVAR,
for *Secretary to the Government of Bombay,*
Revenue Department.

Copy of letter from R. H. Parker, Esq., Secretary, Bombay Telephone Co., Ltd., to the Government of India.

SIR,

I have the honour, under instructions from the Board of Directors, to address you on behalf of the Bombay Telephone Company, Limited, under the following circumstances.

2. The Bombay Telephone Company, Limited, the predecessors in title of the present Company who carried on business under the same name, held the following licenses from Government, *viz*:—

License dated the 9th February, 1911, for the Islands of Bombay, Salsette and Trombay.

License dated 9th September, 1903, for Ahmedabad.

License dated 31st March, 1912, for Karachi.

Copies of these documents are annexed as Appendices 1, 2 and 3 hereto.

3. The said licenses were modified by three agreements dated the 30th March, 1922.

Copies of these documents are annexed as Appendices 4, 5 and 6.

4. The present Company was duly formed as contemplated by clause 4 of each of the said agreements to acquire the property, assets and undertaking of the Old Company and the present Company is now entitled to the benefits of the said licenses as modified by

the said agreements and three further agreements made between the Government and the Company dated the 24th January, 1924, and three further agreements made between the Government and the Company dated the 30th June, 1924.

Copies of these documents are respectively annexed as Appendices 7, 8, 9, 10, 11 and 12.

5. One of the terms of each of the agreements set out in Appendices 4, 5 and 6 was that, after conversion to central battery or automatic working to the extent of not less than ninety-five per cent. of the subscribed lines, which condition has been fulfilled, the maximum annual subscription to be charged by this Company for each exchange connection within four miles of the Exchange was to be Rupees three hundred and fifty.

6. The rates which the Company is charging at the present time are :—

Business Lines .. .. Rs. 300 per annum.
Residential Lines .. .. ,, 210 ,,

7. The Company has in Bombay the following Exchange equipment which is in use only to the extent indicated :—

Exchange.	Capacity.	In use.	Not in use.
General	7,000 Lines.	4,633 Lines.	2,337 Lines.
Gell Street	4,000 ,,	2,058 ,,	1,942 ,,

whereas in July 1923, before the introduction of the automatic system, there were approximately 6,000 lines working and 4,000 applications for lines which could not be met.

8. A large amount of capital has thus been expended in order to meet a demand which, although it existed at the time when the expenditure was incurred, is not now effective at the flat rate charges which are too high to attract the small user of the telephone.

9. The natural result of this is that the Company's revenue is inadequate to meet the expenses of the service including interest and depreciation and to pay a dividend to shareholders.

10. My Board have come to the conclusion that it is both advisable and necessary, in order to make the telephone available for the small user and to bring about an adequate increase in the Company's revenue, to adopt a basis of charges in proportion to the service rendered.

11. In doing so they have been very largely influenced by the conclusions reached after very full enquiry by the Bengal Government Telephone Committee and they feel that they cannot do better than act on their recommendation.

12. I am accordingly directed to apply for leave to introduce the following scale of charges already sanctioned for and put into force, in Calcutta :—

For Exchange Telephone Service.

Installation fee payable at the time of signature of the contract for an exchange line to be fitted .. .. .. Rs. 30.

This charge only to be made in respect of a new installation.

Fixed rental for an exchange line .. ..Rs. 12 per mensem.

Call charges .. ..12 calls per rupee.

Provided that if less than 90 calls are made within any one month the subscriber to be entitled to a refund of Rs. 2 from the fixed rental but to pay for calls at 10 to a rupee.

A discount of 5 per cent. from the charge for calls to be allowed for prompt payment

A deposit of Rs. 50 as security for the due payment of telephone charges to be made by subscribers in such cases as the Company thinks proper to demand the same.

13. My Directors have placed their views and proposals in this connection before the following local bodies :—

1. Municipal Corporation of Bombay.
2. Bombay Chamber of Commerce.
3. Indian Merchants' Chamber.
4. Bombay Millowners' Association.
5. Bombay Native Piece-goods Merchants' Association.
6. East India Cotton Association.
7. Bombay Presidency Trades Association, Limited.
8. Grain Merchants' Association.
9. Native Share and Stock Brokers' Association.

A copy of the communication sent to them is annexed as Appendix 13.

14. My Directors are of the opinion that it is desirable to bring the new scale of charges into effect at the earliest possible date and as a considerable amount of time is bound to be occupied in taking the necessary preliminary steps such as providing meters to register the calls, I am directed to ask that this application may be dealt with at the earliest possible moment.

15. The circumstances in Calcutta and Bombay are similar in the main and the former have so recently been fully considered by Government in connection with the alterations in the scale of charges sanctioned for Calcutta that it does not appear that any useful purpose would be served by setting them out again. I am, however, instructed to draw attention to the fact that in Bombay where the automatic system has been installed, calls would be recorded automatically by meters and the element of human error would thus be eliminated. Moreover, the meters would only register effective calls, that is to say, where the caller actually obtains communication with the number called.—I have, etc.,

R. H. PARKER.

No. 1315/139 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *11th November*, 1925.

THE SECRETARY,
THE BOMBAY TELEPHONE CO., LTD., BOMBAY.

DEAR SIR,

I am directed to acknowledge the receipt of your letter dated the 23rd July, 1925, asking for my Committee's views regarding certain proposals made for a change in the system of charges.

2. It is stated in your letter that the chief purpose of the proposed change is to attract the small users who, it is suggested, have been prevented from installing telephones owing to the flat rate system being too expensive. My Committee after very detailed consideration of your proposals regret that they cannot agree to support the case as put forward by you for a change in the system of charges now in vogue, and which until the recapitalisation of the Telephone Company took place gave very handsome dividends to shareholders in your Company.

The proposed change appears to my Committee to be nothing more or less than an attempt to increase the income of the Company by substantially raising the rates paid by business concerns, for which they repeat there is absolutely no justification whatsoever.

3. The real causes for the present unsatisfactory financial position of the Company, in the opinion of my Committee, are *not* the system upon which charges are made, but :—

(*a*) The system of capitalisation and the over-capitalisation of the new Company.
(*b*) The present trade depression.

As regards (*a*) I am to state that my Committee very largely agree with the views put forward by the Indian Merchants' Chamber in a letter published in the *Times of India* on 27th October, 1925, and entirely agree with the conclusion that even with the present number of subscribers the return to ordinary shareholders is a resonable one, when one considers that such a large proportion of the ordinary capital consists of bonus shares.

Like all business concerns in Bombay, the Telephone Company is affected by the prevailing trade depression and should share in the sacrifice which have to be made during such times.

4. There is very little doubt, judging from the large profits made in the past, that business concerns have paid most handsomely for their telephone service, and should not now be penalised because of the erroneous calculations and conclusions of your Board.

5. My Committee maintain that there is nothing inherently wrong with the present system of charges and would point out that when the Telephone Company was reconstructed *the probable income of the Company was based upon the system and telephone rents now in vogue.* If the number of telephones in use can be increased to anything in the neighbourhood of the number of telephones which the new equipment is capable of supplying, a handsome dividend will be possible even on the present inflated capital.

6. The problem which requires solution therefore is how to attract more users of telephones. My Committee hold that even without any change in the rates or system of charges, a revival of trade would greatly increase the demand for phones and thereby improve the dividend payable to shareholders, but to stimulate the demands for phones by small users more active propaganda is required. Facilities in the way of monthly payments might also be allowed, and slightly reduced charges for residential telephones, or for installations which can be made at small expense to the Company, might be made.—Yours, etc.

T. MALONEY,
Secretary.

No. 1410/139 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *7th December*, 1925.

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,
REVENUE DEPARTMENT, BOMBAY.

SIR,

Re : Telephone Charges, Message Rate System.

With reference to your letter No. 5136-G/24 dated 18th November, 1925, with enclosures, I have the honour to forward herewith a copy of this Association's letter No. 1315/137 of 11th November, 1925, to the Bombay Telephone Company, Limited, on this subject.

2. My Committee have nothing to add to what they have already stated in their letter to the Telephone Company.—I have, etc.

T. MALONEY,
Secretary.

APPENDIX 49.

HOURS OF DELIVERY OF ORDINARY TELEGRAMS.

No. T.G. 38.

POSTS AND TELEGRAPHS,
BOMBAY, *30th May*, 1925.

THE PRESIDENT,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to say that under Rule 393 of the Post and Telegraph Guide, the delivery of ordinary telegrams at places with telegraph offices open all the 24 hours, extends at present between 6 a.m. and 11 p.m. As, however, 11 p.m. has been represented to be rather too late an hour to send out ordinary telegrams, it is proposed to close the delivery of such telegrams at 10 p.m. Kindly let me know if your Association have any objection against the proposal.—I have, etc.

(ILLEGIBLE),
for *Post Master-General.*

No. 758/104 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *22nd June*, 1925.

THE POSTMASTER-GENERAL,
BOMBAY CIRCLE, BOMBAY.

SIR,

I have the honour to acknowledge receipt of your letter No. T. G. 38 dated 30th May, 1925, and to state in reply that in the opinion of the Committee of this Association, the proposed alteration in the hours of delivery of telegrams is neither desirable nor necessary. My Committee hold that 11 p.m. is by no means a late hour for the delivery of telegrams, and they are of opinion that public interests require that existing arrangements should be continued.—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 50.

INCOME AND EXPENDITURE OF CLERICAL STAFF.

THE EMPEROR EDWARD SPG. AND MFG. CO., LTD.,
BOMBAY, *10th February*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We send you enclosed herewith a true copy of a letter received by us from the Labour Office, Bombay, dated the 5th instant, for your perusal and information.

May we request you to kindly let us know whether it is advisable for us to send the form duly completed as desired?—Yours, etc.,

For THE EMPEROR EDWARD SPG. AND MFG. CO., LTD.,
B. D. PETIT SONS & CO., LTD.,
Agents.

No. 989.

LABOUR OFFICE,
OLD CUSTOM HOUSE,
BOMBAY, *5th February*, 1925.

DEAR SIR,

The Labour Office has received enquiries from time to time from employers of clerical labour regarding the rates at which different classes of clerks are paid in commercial, Government and public offices in Bombay. Several enquiries have also been received in connection with the cost of living of these classes. The Labour Office is engaged at present in the work of tabulating statistics regarding income and expenditure obtained from nearly 2,000 representative middle-class families in Bombay. It is proposed to construct a cost of living index for these classes shortly and it is also desirable to make a study of the average earnings of each class of clerical hands earning fixed incomes.

2. A form has been drawn up in such a manner as to procure all the information that is required and at the same time to cause the minimum of inconvenience to those who will be required to make the returns. Every return made for the purposes of this enquiry will be treated as strictly confidential, and no data will be published in such a manner as to enable the identification of any one concern. Only general averages for different types of offices such as banks, shipping companies, solicitors' offices, etc., will be published.

3. The Labour Office will be much obliged to you for your kind co-operation in this enquiry. I request that the enclosed form* may be returned to this office duly filled in as soon as possible in order to facilitate the early publication of the results. If the form is not properly understood or if any assistance is required in completing your return I request you to let me know and I shall send one of my investigators to your office to explain the manner in which the work should be done.

4. Thanking you in anticipation.—Yours, etc.,

(Sd.)————
Officiating Director.

To
THE MANAGER,
EMPEROR EDWARD SPG. & MFG. CO., LTD.,
BOMBAY.

No. 378/64 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *10th March*, 1925.

THE EMPEROR EDWARD SPG. & MFG. CO., LTD.,
BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your letter of the 10th ultimo, and to state in reply that my Committee see no objection in the Director of the Labour Office being furnished with the information required by him regarding the pay and cost of living of clerks.—Yours, etc.,

J. P. WADIA,
Assistant Secretary.

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* Not printed.

APPENDIX 51.

MULE SPINNERS' CANCER.

No. 200 (4) of 1925.

OFFICE OF THE SURGEON-GENERAL
WITH THE GOVERNMENT OF BOMBAY,
POONA, *17th July*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*Mule Spinners' Cancer.*

I have the honour to state that Dr. J. Brown, M.D., D.P.H., of Blackpool, who has been associated with the Factory Department of the Home Office and the Ministry of Health, is doing a vast amount of work in spinners' cancer and collecting information from all chief centres in Europe and India. He wants certain information from this country which would help him in his investigation. I request, therefore, that you will be so good as to furnish this office, at an early date, with information on the following points:—

(1) Does spinners' cancer occur among millhands.
(2) Age of patients.
(3) Diet.
(4) Source of power, *i.e.*, water, steam, electricity, coal, etc.
(5) Temperature, course or fine.
(6) Conditions for cleanliness.—I have, etc.,

(ILLEGIBLE), *Captain, I.M.S.*,
for *Surgeon-General with the Government of Bombay.*

No. 986/3 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *26th August*, 1925.

THE SURGEON-GENERAL WITH THE GOVERNMENT OF BOMBAY,
POONA.

SIR,

With reference to your enquiry regarding mule spinners' cancer, I have the honour to state that this disease is not known to be prevailing among the millhands in Bombay. This is probably due to the fact that only a small proportion of the spindles in Bombay are mule, and few men stay permanently on this class of work to acquire occupational diseases of this nature.

Medical officers at some of the leading mills have been requested to carefully search for and report any information which they could obtain on this subject, and I will address you again on hearing from them.—I have, etc.,

J. P. WADIA,
Acting Secretary.

No. 316/16128.

E. D. SASSOON & CO., LIMITED,
BOMBAY, *26th August*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

With reference to the Surgeon-General's letter No. 200 (4) dated the 17th July, 1925, which I return herewith, up to date we have not come across any case of mule spinners' cancer. The probability is that this does not exist in Bombay due to the fact that only a small proportion of the spindles in Bombay are mule and few men stay permanently on this class of work to acquire occupational diseases of this nature.

I am forwarding copy of the Surgeon-General's letter to our medical officers at the mills, requesting them to carefully search for and report any information which they may obtain at such mills where we have mule spinners employed.—Yours faithfully,

E. D. SASSOON & CO., LTD.,
Agents.

No. 316/16353.

E. D. SASSOON & CO., LIMITED,
BOMBAY, *31st August*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

In continuation of our letter No. 316/16128 of the 26th instant, we have now received a report from our mill doctors, which we give below for your information :—

"We beg to state that we had read Dr. Brown's article in the Medical Journals and have been on the look-out for cases of mule spinners' cancer for some time. We have not come across any such case from our mule workers so far."—Yours, etc.,

E. D. SASSOON & CO., LTD.,
Agents.

No. 1011/117 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *1st September*, 1925.

E. D. SASSOON & CO., LTD.,
BOMBAY.

DEAR SIRS,

Mule Spinners' Cancer.

I beg to acknowledge receipt of your letter No. 316/16353 dated the 31st August and to thank you for all the kind trouble you have taken in connection with this matter.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. 1013/3 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *1st September*, 1925.

THE SURGEON-GENERAL WITH THE GOVERNMENT OF BOMBAY,
POONA.

SIR,

Mule Spinners' Cancer.

In continuation of my letter No. 986/3 dated the 26th August, I have the honour to give below copy of the report submitted by medical attendants at a very important group of mills:—

"We beg to state that we had read Dr. Brown's article in the *Medical Journals* and have been on the look-out for cases of mule spinner's cancer for some time. We have not come across any such case from our mule workers so far."—I have, etc.,

J. P. WADIA,
Acting Secretary.

APPENDIX 52.

THE EXPORT CREDIT SCHEME.

EXPORT CREDITS DEPARTMENT,
73, BASINGHALL STREET, LONDON, E.C. 2.

CONDITIONS AS AMENDED, JANUARY 1925.

PART I.—GUARANTEES TO EXPORTERS.

A.—General Conditions covering both Specific and General Credits.

1. In order to facilitate the resumption of the ordinary means whereby traders and others can obtain facilities from their bankers to enable them to finance their export trade, the Government are prepared under the following conditions to entertain proposals to give guarantees against shipments of goods exported from the United Kingdom.

2. *British goods.*—Guarantees will only be granted in respect of goods wholly or partly produced or manufactured in the United Kingdom, including coal.

3. *Applications.*—Applications for guarantees should be made by the exporter to the Export Credits Department, on forms which may be obtained from the Department. Applications must be submitted through a bank and the banker's recommendation attached. For the convenience of exporters, the department is prepared to receive and give a decision on applications before conclusion of the business, a limit of time being stated by the exporter within which the transaction will be completed.

The scheme does not apply at present to Russia, or to shipments on short credits to India, Ceylon, Straits Settlements or Hong Kong. Applications in respect of machinery and similar goods, where long credits may be required, will be considered in respect of the last-named countries.—*December*, 1924.

4. *Premium.*—The department will fix and charge a premium to cover any charges incurred in connection with the granting of guarantees. The department will consider the fixing of specially low rates in cases where approved exporters are prepared to accept a proportion of recourse in excess of those proportions provided for under paragraph 14.

5. *Bills and documents.*—In all cases, whether under a specific or a general credit, unless otherwise arranged with the approval of the department, bills for guarantee by the department must be sent to it through a bank immediately after the shipment of the goods concerned and must be accompanied by all signed copies of the bill of lading, invoices (in duplicate), and other shipping documents, together with form of agreement (E.C.D. 8*a*.) duly completed. The documents, other than one set of invoices, will be returned to the bank.

6. *Guarantee conditional on due presentation, etc.*—The guarantee of the department will be given only on the exporter's undertaking that the bill shall be duly presented for acceptance and/or payment, and that the bill, if dishonoured, shall be noted or protested as circumstances require, and notice of dishonour be forthwith given to the department.

7. *Insurance.*—As a general rule the department will require that the goods shall be insured against all risks, and in exceptional cases where it is otherwise agreed, the department will retain recourse against the exporter for all loss or damage which may arise in respect of any risk not so covered. In cases where the insurance is effected by the importer, the department will retain full recourse against the exporter until notified by the exporter's bank that the bills have been accepted, or, in the case of a bill payable at sight, on payment.

8. *Payment by importer.*—The department will have a first charge on all proceeds of the bill, and will require the exporter to take such steps as may be necessary to enforce payment by the importer.

9. *Goods to which scheme does not apply.*—The department does not entertain applications for its guarantee in connection with the export of munitions of war, the carrying of stocks either in the United Kingdom or overseas, or goods to be shipped on consignment. Applications will not be entertained in respect of goods already shipped.

10. *Recourse.*—In cases where the department retains recourse against the exporter for the whole or a proportion of any loss (*see* paragraphs 14 and 15), the exporter shall, on default by the importer, pay on demand to the department the amount paid out by the department under its guarantee or his share thereof and, so soon as may be, the ultimate loss (including interest at the rate of 1 per cent. above bank rate ruling from time to time from the date at which the bill is taken up by the department and all costs, charges and expenses incurred and/or paid by or on behalf of the department) shall be ascertained and the account finally adjusted between the exporter and the department in the proper proportions and any sums found to be due to or by the department shall forthwith be paid.

11. *Extensions and alterations.*—In all cases, the periods for which the bills to be guaranteed are drawn will be a matter of arrangement. No extension of a bill may be granted by the exporter unless the approval of the department has first been obtained. No alteration in the conditions of the transactions obtaining when the guarantee was given is permissible without the consent of the department.

B.—Credits in Respect of Specific Transactions.

12. *Guarantee of* 85 *per cent. or* 100 *per cent. with recourse* (*except as provided in paragraph* 14 (3)).—The guarantee may be given for 100 per cent. of the total amount of the bill of exchange drawn against the shipment if the credit does not exceed 12 months, and to an extent not exceeding 85 per cent. if the credit exceed 12 months. The Export Credits Department will decide the proportion to be guaranteed in each case, taking into consideration relevant circumstances.

13. *Bills need not be accepted before guarantee by department.*—The department may retain at its discretion full recourse against the exporter until acceptance, and need not require the bills to be accepted before guaranteeing them; but

(*a*) In cases where no security is to be deposited, the department may require that the acceptance of the bills shall be guaranteed by an approved bank, or to be furnished with other satisfactory security that the bills will be accepted.

(*b*) In cases where security is to be deposited, the department may require a guarantee as aforesaid from an approved bank that the bills will be duly accepted and that the stipulated security will be deposited immediately upon the first presentation of the documents to the importer.

14. *Proportion of recourse in event of default by the importer.*

(1) Where the guarantee does not exceed 85 per cent :—

(*a*) In cases where the importer deposits security less than that deemed by the department sufficient to cover the whole amount guaranteed, the department will retain recourse against the exporter. The recourse will be to the extent of half any excess of the amount guaranteed *plus* charges, expenses and interest on the one hand, and on the other hand such amount, if any, as may be paid by the importer, *plus* the amount deemed to be covered by the security, or which the security eventually realises, whichever is the greater.

(*b*) In cases where the importer deposits no security, the department will retain recourse against the exporter to the extent of half the difference between the amount guaranteed together with charges, expenses and interest, on the one hand, and on the other hand, such amount, if any, as may be paid by the importer.

(2) Where the department guarantees 100 per cent. of the bill, and

(*c*) the importer deposits security less than that deemed by the department sufficient to cover the whole amount guaranteed, the department will retain recourse against the exporter for 57½ per cent. of the excess referred to under paragraph "14 (1) (*a*)"; or

(*d*) in cases where the importer deposits no security, the department will retain recourse against the exporter for 57½ per cent. of the difference referred to under paragraph "14 (1) (*b*)."

(3) In cases where the importer deposits security deemed by the department sufficient to cover the whole amount guaranteed, the department will have no recourse against the exporter.

NOTE.—Examples illustrative of the working of these provisions will be found in the Appendix.

Reduced Premium.

15. In cases where the exporter is prepared to accept full recourse the department will charge a much reduced premium, which in certain cases will be less than half the usual rate. Paragraphs 12 and 13 will be applicable.

16. *Guarantee of 42½ per cent. without recourse.*—The department is prepared in suitable cases to guarantee without recourse against the exporter 42½ per cent. of any loss which may occur on a particular transaction.

17. *Security.*—The department will consider such propositions for security as may be laid before it by the exporter.

So soon as the bills have been liquidated and the liability of the department is brought to an end, the security lodged will be returned to the importer. In the event of default, the

department may cause the necessary steps to be taken to realise the security or to hold the same as it may think fit. The department at its discretion will be at liberty to require the exporter to take such steps as may be deemed necessary to realise the security.

C.—General Credits.

18.—(*a*) The department is prepared to consider applications, which must be submitted through a bank, for credits up to specified amounts in respect of specified countries and for transactions to be put into operation within a specified time. Having regard to the financial standing of the applicant and to the other circumstances of the case, the department, in consultation with its advisory committee, will decide the amount in respect of which it will be prepared to give guarantees, and such guarantees will cover the full amount of the bills.

(*b*) The period of the credit should, generally, not exceed six months, but the department may in its discretion permit renewals, provided that the credit shall in no case exceed twelve months in all.

(*c*) The exporter will be at liberty to enter into transactions up to the amount fixed by the department, and the department will undertake to guarantee the bills for goods shipped. The department may, however, in its discretion, demand as a condition of granting its sanction of a general credit that the names of the prospective importers shall be submitted to and approved by it before the bills are guaranteed.

(*d*) The department will not require that security shall be deposited by the importer, but in case of default will retain recourse against the exporter for 57½ per cent. of the loss.

(*e*) The conditions specified in paragraphs 12, 13 and 14 (2) to 17 apply also to general credits.

PART II.—PARTICIPATION WITH BRITISH BANKS, BANKING HOUSES, CREDIT ASSOCIATIONS, ETC.

19. In addition to the foregoing method of granting guarantees to individual exporters, the department is prepared under the following conditions to make arrangements with approved banks or banking houses, or credit associations for participation in any loss which may be incurred by such banks, banking houses or credit associations in respect of transactions to be carried through by them for exporters in the United Kingdom.

20. The department, in consideration of an agreed premium, may take a share not exceeding 70 per cent. of any loss which may be incurred by banks, etc., in respect of such transactions, provided that the transactions comply with the conditions as to the nature of goods prescribed in Part I. The department will arrange with any approved bank, banking house or credit association, which may apply for participation in this scheme, the total amount in each case up to which this undertaking will be given.

21. Application should be made by exporters direct to the bank, banking house or credit association concerned.

APPENDIX.

EXAMPLES OF WORKING OF PROVISIONS IN RELATION TO RECOURSE.

N.B.—For the sake of simplicity no account has been taken in the undermentioned examples of charges, interest, etc. Such charges and interest must, of course, be brought into account for the purpose of arriving at the ultimate loss (*see* paragraphs 10 and 14).

EXAMPLE I.

Invoice value of goods, £1,000.
Period of credit exceeds 12 months.
Department guarantees 85 per cent.=£850.
Security deemed sufficient to cover the whole amount guaranteed, *i.e.*, £850.

The importer fails entirely and nothing is recovered from him. The security realises £750. In this case the Department loses £100, but the Department has no recourse against the exporter.

EXAMPLE II.

Invoice value of goods, £1,000.
Period of credit does not exceed 12 months.
Department guarantees 100 per cent.=£1,000.
Security deemed sufficient to cover £500.

The importer fails to pay more than £100 and the security realises £600 (*i.e.*, £100 more than it was deemed to be worth).

In this case the difference between the amount guaranteed (£1,000) and the amount paid by the importer (£100) *plus* the realised value of the security (£600) (total, £700) is £300. The Department will have recourse against the exporter for 57½ per cent. of this sum, *i.e.*, £172 10s.

EXAMPLE III.

Invoice value of goods, £1,000.
Period of credit exceeds 12 months.
Department guarantees 85 per cent.=£850.
Security deemed sufficient to cover £500.

The importer pays £300 and the security realises £400 (*i.e.*, £100 less than it was deemed to be worth).

In this case the difference between the amount guaranteed (£850) and the amount paid by the importer (£300) *plus* the amount which the security was deemed sufficient to cover (£500) (total, £800) is £50. The Department will therefore have recourse against the exporter for half this sum, *i.e.*, £25 only, although the total loss on the transaction is £150, *viz.*, the difference between the sum of £850 guaranteed and the amount paid by the importer (£300) *plus* the amount realised by the security (£400).

EXAMPLE IV.

Invoice value of goods, £1,000.
Period of credit does not exceed 12 months.
Department guarantees 100 per cent.=£1,000.
Security deemed sufficient to cover £500.

The importer pays £500 and the security realises £500. In this case no loss is made.

EXAMPLE V.

Invoice value of goods, £1,000.
Period of credit exceeds 12 months.
Department guarantees 85 per cent., *i.e.*, £850.
No security put up by importer.

The importer pays £750. The difference between the amount guaranteed (£850) and the amount paid by the importer (£750) is £100. The Department will therefore have recourse against the exporter for half this sum, *i.e.*, £50.

APPENDIX 53.

INDIAN SCIENCE CONGRESS.

No. 585.

BOMBAY, *8th October*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT :—*Indian Science Congress.*

SIR,

As you are doubtless aware, the Indian Science Congress which last met in Bombay in 1919 holds its annual meeting here in January next. I am authorised by the Local Committee to invite your Association to contribute to the local fund which is being raised. I enclose two copies of a memorandum explaining the aims of the Congress. I have no doubt that the commercial community of Bombay will wish to mark its appreciation of the value of scientific work in India and its sympathy with the aims of the Science Congress and to assist in making the Bombay meeting in every way a great success.

As explained in my memorandum, the Science Congress is maintained chiefly from the subscription of its members, but it is necessary to raise a local fund each year at the centre where meetings are held to meet part of the local expenses. The Local Committee estimate that a local fund of Rs. 10,000 will be required and I understand the University has promised a very substantial donation. I also enclose a copy of a leaflet which gives the particulars of the various sections of the Congress and names of the present officers.—Yours, etc.,

B. C. BURT.

NOTE.

INDIAN SCIENCE CONGRESS.

The Indian Science Congress was established just over twelve years ago and its objects and organisation though more modest are somewhat similar to those of the British Association for the Advancement of Science. It is a purely unofficial body although many of its members are officials.

One of the greatest practical difficulties with which scientific workers in India are faced is the lack of opportunity for meeting their confreres, the absence of learned societies and of facilities for technical discussions on modern scientific work. It is unnecessary to urge the importance to India of the development in the country of adequate cadres of scientific workers both in applied and pure science. It is only in countries where research in pure science is highly developed that adequate numbers of properly trained investigators are available for problems in applied science. Thus on economic grounds alone any organisation which encourages research and the spirit of scientific enquiry is amply justified. The Indian Science Congress affords practically the only means by which unofficial research workers at the various universities and similar institutions can come in contact with scientific workers employed by Government for the solution of problems of economic importance. As a past President of a section I can give personal testimony to the value of the Science Congress meetings in enabling young Indian scientific workers to take part in academic discussions on the various branches of science in which they are interested and meeting other societies, thus broadening their outlook.

It is customary for the Science Congress to meet at the various Provincial and University centres in rotation, and the last meeting in Bombay was in 1919. An attempt is being made at the coming session to emphasise the industrial and economic aspect of scientific

work with special reference to cotton. One day is being entirely devoted to cotton discussions when there will be a joint meeting of several sections at Matunga for a general discussion on the several aspects of cotton research followed by demonstrations in the Indian Central Cotton Committee's Technological Research Laboratory and in the Victoria Jubilee Technical Institute. Arrangements are also being made for members of the Congress to visit cotton mills and other manufacturing concerns. In accordance with the usual practice two public lectures will be given in addition to the Presidential address, and I understand that one of these will be by a member of the Everest Expedition on the scientific side of the expedition's work, and the other on the economics of cotton production.

The Indian Science Congress depends for its funds principally on the subscriptions of members who also bear their own expenses in attending meetings. A contribution towards local expenses is made by the Executive Committee from Congress funds. In addition the Local Committee at the centre where the Congress meets is asked to raise a local fund for local expenses. The Bombay Local Committee, the President of which is Sir Chimanlal Setalvad, estimate that a local fund of Rs. 10,000 will be required. Apart from expenditure on printing and the ordinary expenses connected with a meeting of this kind, a very considerable item in Bombay will be the provision of conveyance for a number of members to enable them to attend the Cotton Symposium at Matunga, the demonstrations at the Parel Government Laboratory (Haffkine Institute) and some of the excursions to other places of scientific interest. Many members can make their own arrangements, but many of the associate and student members cannot be expected to do so.

B. C. BURT.

INDIAN SCIENCE CONGRESS.

DEAR SIR,

The Thirteenth Annual Meeting of the Indian Science Congress will be held in Bombay from January 4th to January 9th, 1926.

H. E. the Rt. Hon. Sir Leslie Wilson, P.C., G.C.I.E., C.M.G., D.S.O., Governor of Bombay, has consented to be Patron of the meeting and Mr. A. Howard, C.I.E., Director, Institute of Plant Industry, Indore, will be President.

If you intend to be present at the meeting it is requested that you should return the upper half of the annexed form* as early as possible to the undersigned. The subscription to the Congress should be paid to the Treasurer, Asiatic Society of Bengal, 1, Park Street, Calcutta, and the lower half of the form be forwarded to him.

If you propose to read a paper, it should be forwarded to the undersigned or the President of the Section before which it is intended to be read, together with a short abstract, not later than October 15th, 1925, for submission to the Sectional Publication Committees. Members are informed that not more than ten minutes will be allowed for the reading of any paper. The names and addresses of the Sectional Presidents are given on the reverse.

The Local Secretaries will be Professor G. R. Paranjape, M.A., I.E.S., Professor of Physics, Royal Institute of Science, and Principal A. J. Turner, Victoria Jubilee Technical Institute, P.O. Matunga, Bombay, to whom all enquiries as to accommodation should be addressed. It is particularly requested that very early intimation of the accommodation required should be sent to the Local Secretaries.—Yours, etc.,

S. P. AGHARKAR,
General Secretary, Indian Science Congress,
35, *Ballyganj Circular Road, Calcutta.*

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* Not printed.

EXTRACT FROM THE RULES.

RULE X.

There shall be three classes of Members—

(i) *Full Members.*—Annual subscription *Rupees ten.*

(ii) *Associate Members.*—Annual subscription *Rupees five.*

(iii) *Student Members.*—Annual subscription *Rupees two.*

(Student Members must be definitely certified by the Principal of their College as *bona fide* students.)

Only Full Members have the right of communicating papers to the Congress and they receive free of charge all publications.

Associate and Student Members have the right of reading papers before the Congress provided they have been communicated by a Full Member.

SECTIONAL PRESIDENTS FOR THE 13TH MEETING OF THE INDIAN SCIENCE CONGRESS.

1.	Agriculture	G. S. Henderson, Esq., Imperial Agriculturist, Pusa (Bihar).
2.	Mathematics and Physics	Prof. Megh Nad Saha, D.Sc., Professor of Physics, Allahabad University.
3.	Chemistry	Dr. B. B. Dey, D.Sc., Professor of Chemistry, Presidency College, Madras.
4.	Zoology	Prof. H. R. Mehra, Ph.D., Professor of Zoology, Benares Hindu University.
5.	Botany	Rev. E. Blatter, S.J., St. Xavier's College, Bombay.
6.	Geology	Professor B. Sahni, D.Sc., Professor of Botany, Lucknow University.
7.	Anthropology..	N. Subramaniya Iyer, M.A., Senior Dewan Peshkar, Trivandrum, Travancore.
8.	Medical and Veterinary Research ..	Dr. R. Row, M.D., D.Sc., c/o Bhajekar's Hospital, Girgaon, Bombay.
9.	Psychology	Dr. Haridas Bhattacharji, M.A., Ph.D., Department of Psychology, Dacca University.

No. 1257/136 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *26th October*, 1925.

B. C. BURT, ESQ., M.B.E.,
BOMBAY.

DEAR SIR,

Reference your letter No. 585 dated the 8th instant.

I am directed to inform you that the Committee of my Association at their meeting to-day agreed to donate a sum of Rs. 200 towards the local fund which is being raised for the expenses of the forthcoming Indian Science Congress.

I enclose a cheque for the amount above mentioned.—Yours, etc.,

T. MALONEY,
Secretary.

No. 909.

BOMBAY, 30*th October*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to acknowledge your letter dated the 26th of October, 1925, enclosing cheque for Rs. 200 being donation from the Millowners' Association towards the local fund which is being raised for the expenses of the forthcoming Indian Science Congress. I am forwarding the cheque to A. J. Turner, Esq., Principal, Victoria Jubilee Technical Institute, who is the Local Secretary, and a formal acknowledgment from him on behalf of the Science Congress will reach you in due course. In the meantime, as a member of the Local Committee of the Science Congress I may be permitted to say that this donation will be most gratefully received and this tangible evidence of the Association's sympathy with the promotion of pure science will be much appreciated.—I have, etc.,

B. C. BURT.

APPENDIX 54.

HOLIDAY RETURNS.

No. F.I./2598 of 1925.

BOMBAY COLLECTOR'S OFFICE,
FACTORY DEPARTMENT,
BOMBAY, 6*th March*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Holiday Returns.*

DEAR SIR,

I have to invite reference to Rule II published under the Government of India Notification, No. 6750-25, Department of Commerce and Industry (Factories), dated 14th September, 1912 (republished under the Bombay Government Notification, General Department, No. 6129 of 18th September, 1912, on page 1555 of the *Bombay Government Gazette*, Part I, dated 19th September, 1912, copy attached). Under this rule all factories amenable to the Factories Act have been required to submit every month a holiday return to the Factory Inspector. Although this return acts as a check on the weekly holiday, its submission is unnecessary in the case of concerns which observe regularly Sunday holidays.

2. The Millowners' Association, Bombay, issues annually at the commencement of the year a list of holidays ordinarily to be observed in mills controlled by its members. If the members of the Millowners' Association would agree normally to observe the holidays as indicated in the holiday list annually published, the monthly returns may be dispensed with. This would save them a considerable amount of correspondence. Since, however, some mills would occasionally require to make a departure from the holiday list, intimation should in such cases be sent to the Chief Inspector of Factories in accordance with Section 22 of the Indian Factories Act. This, of course, is at present done.

3. The Rule II referred to in paragraph 1 above has been recently amended by the Government of India (Notification No. L-1250, Department of Industries and Labour, dated 4th February, 1925, republished in the Bombay Government Notification, No. 2343, General Department, dated 11th February, 1925, at page 477 of the *Bombay Government*

Gazette, Part I, of 19th February, 1925, copy attached). The amended rule provides the Local Government with power to dispense with the submission of the holiday return in case of any class of factories or of the factories in any particular area.

4. The Chief Inspector of Factories has proposed that if the Millowners' Association agree to the course suggested above in paragraph 2, the mills under their control might be recommended to Government for exemption from the obligation of submission of the said return. I therefore request you to kindly place the matter before your Association and communicate to me early their views on it.—Yours, etc.,

J. P. BRANDER,
Collector of Bombay.

Copy of Rule II published under the Government of India Notification, Department of Commerce and Industry (Factories), No. 6750-25, dated 14th September, 1912.

"II.—Every Manager of a factory shall furnish to the Inspector of Factories or other officer designated by the Local Government in this behalf the following return, namely :—

Before the end of each calendar month, a return giving notice of all the days on which the factory will be closed during the next ensuing month. This return shall be submitted whether the factory is or is not working during the calendar month preceding the one to which the return relates."

Copy of amended Rule II published under the Government of India Notification, Department of Industries and Labour, No. L-1250, dated 4th February, 1925.

"II.—Every Manager of a factory shall furnish to the Inspector of Factories or other officer designated by the Local Government in this behalf the following return, namely :—

Before the end of each calendar month, a return giving notice of all the days on which the factory will be closed during the next ensuing month. This return shall be submitted whether the factory is or is not working during the calendar month preceding the one to which the return relates.

Provided that the Local Government may dispense with this return in case of any class of factories or of the factories in any particular area."

No. 470/70 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *24th March*, 1925.

THE COLLECTOR OF BOMBAY,
BOMBAY COLLECTOR'S OFFICE (FACTORY DEPARTMENT), BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter F.I./2598, dated 6th March, 1925, dealing with the subject of weekly holidays. In reply I am to say that my Committee entirely approve of the suggestion contained in paragraph 2 of your letter and with your permission I will acquaint all Bombay members of the Association of the arrangement to be made whereby the rule for submitting a monthly return of holidays will be dispensed with, or if you prefer it the information may be circulated from your office to *all* mills in Bombay. —I have, etc.,

T. MALONEY,
Secretary.

No. 551/70 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 15*th April*, 1925.

THE COLLECTOR OF BOMBAY,
BOMBAY.

DEAR SIR,

I am directed to invite your attention to my letter No. 470/70 dated the 24th March, 1925, on the subject of the submission of holiday returns by mills under provisions of the Indian Factories Act and to request you kindly to let me know whether the suggestions contained in para. 2 of your letter No. F.I./2598, dated the 6th March, 1925, and my Committee's reply thereto have been communicated to all the members of the Association or, if not, whether you desire me to do the needful in the matter.—Yours, etc.,

J. P. WADIA,
Acting Secretary.

No. F.I./4179 of 1925.

BOMBAY COLLECTOR'S OFFICE,
FACTORY DEPARTMENT,
BOMBAY, 18*th April*, 1925.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SUBJECT:—*Holiday Returns.*

REFERENCE:—*Your letter No.* 470/70, *dated* 24*th March*, 1925, *and reminder No.* 551/70, *dated* 15*th April*, 1925.

DEAR SIR,

With reference to your letter noted above I have to request you to obtain from all the Bombay members of your Association an agreement that they will observe the holidays as per holiday list issued by the Association. On receipt of an agreement I shall move Government in the matter.

2. I may state here for your information that the present system of submitting holiday returns will have to be continued until Government's approval to the dispensation of holiday notices is received and communicated to you.—Yours, etc.,

J. P. BRANDER,
Collector of Bombay.

No. 1088/70 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, 22*nd September*, 1925.

TO ALL MEMBERS OF THE
BOMBAY MILLOWNERS' ASSOCIATION
HAVING THEIR MILLS IN THE TOWN AND ISLAND OF BOMBAY.

DEAR SIRS,

Members are aware that in accordance with the rules under the Indian Factories Act, all factories amenable to the Act are required to submit at the end of each calendar month a return giving notice of the days on which the factory will be closed during the next ensuing month.

2. This rule requiring the monthly notification of holidays was amended in February last, and under the amended rule, Local Governments were empowered to dispense with it in case of any class of factories or of the factories in any particular area.

3. The Collector of Bombay in drawing the Association's attention to the amended rule, has pointed out that it might be possible to exempt the members of the Association from submitting these monthly returns if members would give an undertaking that they would normally observe the holidays as indicated in the holiday list annually published by the Association. In cases where, after giving the undertaking, mills for special reasons desire to make a departure from the holiday list, they would have to inform the Chief Inspector of Factories of the exact nature of the change.

4. It would obviously be an advantage to members if they could be exempted from the submission of these monthly returns, and I am therefore directed to request you kindly to return before September 29th the enclosed letter duly signed by you if you are prepared to adhere to the list of holidays published by the Association. The Collector will in due course be informed of the undertaking given by members and he will then proceed to obtain the necessary sanction from Government, for exempting members from submission of the monthly holiday returns. Pending the final orders of Government in connection with this matter, the present system of submitting holiday returns will, of course, have to be continued unless special arrangements have already been made with the Collector by your mills.—Yours, etc.,

T. MALONEY,
Secretary.

THE SECRETARY,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are in receipt of your circular letter No. 1088/70, dated 22nd September, 1925, on the subject of Holiday Returns, and we hereby agree to observe the holidays indicated in the holiday list annually published by the Association. Pending intimation of the necessary sanction from Government we shall continue to submit returns as at present to the Chief Inspector of Factories. We also note that after Government's sanction is obtained, if for any special reasons we are constrained to close the mills on days other than those mentioned in the Association's holiday list, we have to inform the Chief Inspector of Factories as at present.—Yours, etc.,

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No. 1240/70 of 1925.

THE MILLOWNERS' ASSOCIATION,
BOMBAY, *23rd October*, 1925.

THE COLLECTOR OF BOMBAY,
BOMBAY.

SIR,

SUBJECT:—*Holiday Returns.*

With reference to your No. F.I./4179, dated the 18th April, 1925, and subsequent reminders thereto on the above subject, I am directed to inform you that my Committee have obtained an agreement from all members of the Association in the City and Island of Bombay on the lines indicated in the attached.—I have, etc.,

T. MALONEY,
Secretary.

Report for the year 1925.

Section IV.

SPEECH OF THE FINANCE MEMBER

ON

INTRODUCTION OF BUDGET FOR 1926-27.

SPEECH OF THE FINANCE MEMBER INTRODUCING THE BUDGET FOR 1926-27.

INTRODUCTORY.

Sir : In the Budget for 1925-26 the Government of India and the Legislature had the satisfaction of making a substantial beginning in the reduction of Provincial contributions, when, apart from other temporary relief, a permanent diminution of Rs. 2½ crores was effected in their total. We were enabled to take this welcome step in view of substantial realised surpluses in each of the years 1923-24 and 1924-25, and in expectation of a balance on the right side in the year 1925-26. I am glad to be able to inform the House that, in spite of the considerable revenue which we then gave up in relief of the Provinces, a realised surplus for 1925-26 is now assured. The exact figures is of course still a matter of estimating, but there is no doubt that the balance will be on the right side ; and this notwithstanding the very unusual step taken during the year in regard to the Cotton Excise Duty. This duty ceased to be levied as from the 1st of December 1925, and in the announcement regarding the cessation of its levy it was made clear that, barring unforeseen accidents, suspension was intended in all but form to be equivalent to abolition.

2. This announcement inevitably takes away some of the beautiful uncertainty of anticipation, some of the pleasant thrill of expectancy, which is supposed to attach to the opening of a Budget. Instead of hoping—shall I say, against hope ?—that this Budget may perhaps contain proposals for bringing to an end this tax, so long the subject of controversy, Honourable Members have, I suspect, already in their minds written it off, and, as they listen to me, are waiting in anxious suspense, not to learn the fate of the Cotton Excise Duty, but only to know what other reliefs, if any, may be in store for them. In regard to the Cotton Excise Duty, I will keep them in doubt no longer. I will admit them at once to the secret that the Finance Bill about to be presented to the House includes a clause abolishing the Cotton Excise Duty finally and entirely. The patient died on December the 1st, 1925, and it only remains for us to assist at his obsequies and give the corpse decent interment. We have no need to fear even its unlamented ghost. No miracle can restore it to life at this time other than some unthinkable accident in the passing of the Finance Bill.

Actual Outturn of 1924-25.

3. Before satisfying the curiosity of Honourable Members in regard to other proposals in the Budget, I must first review shortly the actual figures for 1924-25 and in somewhat greater detail, the revised estimates for the year 1925-26. Our revised estimates for 1924-25 anticipated a surplus of almost 4 crores. The audited accounts which have just been published show a surplus of 5.68 crores—an improvement of nearly 1.69 crores on our expectations of a year ago. Under all the heads of the Civil Budget, apart from Railways, the net variation between the revised estimates and the actual figures amounts to 15. lakhs only, though there are appreciable variations in both directions under individual heads. The increase in the realised surplus is accounted for almost entirely by a reduction in net military expenditure amounting to 70 lakhs and an increase in the contribution from Railways, amounting to 1,14 lakhs. The savings in military expenditure arose from underspending in England due partly to decreased expenditure on purchase of stores and partly to an adjustment in India's favour of some payments to the War Office arising out of claims in connection with war expenditure. These claims, I may say, have no connection with the important sums in dispute between the War Office and the Government of India in regard to war expenditure. Negotiations for the settlement of these latter have been vigorously pursued during the year. The issues are complicated, and I am not yet in a position to announce the final outcome, but I have every hope that the result will in the end be regarded as not unfavourable to India. The large variation amounting to 1,14 lakhs under Railways is the result of an increase in the net railway earnings which, after the deduction of the fixed contribution of 5.09 crores, proved to be 8.07 crores instead of 4.65 crores as anticipated. There were savings in working expenses owing partly to adjustments in connection with the

Privy Council decision regarding Customs duties on stores for Companies' lines. On the other hand, the gross traffic receipts exceeded expectations by 1.48 crores, chiefly because heavy traffic in grain and cotton developed in February and March, the movement of these crops beginning earlier than usual. One result of this is that the railway receipts in the early part of the current year fell below our anticipations. The final outturn of the year 1924-25 shows a revenue of 138.04 crores and an expenditure of 132.36 crores, leaving a realised surplus of 5.68 crores. The usual comparative table showing the actual outturn in each of the last ten years is attached to the printed Budget speech.

REVIEW OF THE YEAR 1925-26.

General Conditions.

4. Weather conditions in India in the year 1925-26 have not been altogether favourable. The winter rainfall a year ago was not unsatisfactory—I regret to say that it is less satisfactory in Northern India this year—but the wheat crop suffered from excessive cold and high winds. Almost throughout India the monsoon came to an end too early. In old days this might have caused really bad famine conditions in some areas, but the great improvement in our communications in recent years has contributed materially to a reduction of famine risks especially when, as in 1925, the monsoon rainfall was not entirely deficient. Indian trade and commerce during the year have, however, been less under the influence of internal conditions than under that of external conditions affecting world trade. I drew attention a year ago to the gradual recovery of trade from world-wide depression under the stimulus of greater general security and reduced prices. Similar forces have operated in India during 1925-26, but the fall in prices has been more marked than in the previous year. For all commodities the general index figure came down from 176 at the end of December 1924 to 163 at the end of December 1925. Prices of cotton piece-goods and, in a lesser degree, of raw cotton were a year ago entirely out of tune with the general price level. Raw cotton appears now to have returned very nearly to its pre-war relation to other prices, and this fact holds out the prospect of an increased volume of trade in cotton piece-goods as soon as prices become steadier. Cotton piece-goods are, however, still priced at a level considerably above the general average in spite of a very marked fall especially during the last six months of the calendar year. It is perhaps not unnatural that during this painful period of restoration of price equilibrium the cotton mill industry, particularly in Bombay, has been subjected to serious difficulties and that there has been a considerable decrease in our imports of cotton piece-goods. During the first 9 months of 1925-26 there was a fall of 22 per cent. in value and 15 per cent. in the quantity of piece-goods imported. In our export figures a large reduction in the quantity and value of our exports of wheat is the most notable feature during this period.

5. Apart from these two commodities, the trade figures of the year have been satisfactory. The tea industry has had another prosperous year, while the prices both of raw jute and jute manufactures show a considerable advance. A significant feature of the year which is of great importance in relation to the question of transport facilities in India has been the growth of the use of motor vehicles. There has been a large increase in the number of private cars in use and an even more striking increase in the number of vehicles plying for public hire. The number of motor vehicles imported has gone up by 24 per cent. Our receipts from the excise duty on petrol reflect the increase in the use of motor vehicles in a striking manner. Though the rate of duty was reduced by 33⅓ per cent. a year ago, yet our revenue from the duty is as high as before. Among other features of interest, I may mention that imports of artificial silk have gone up seven-fold in two years.

6. During the course of 1925 the League of Nations issued a table designed to compare on a gold basis the total foreign trade of all the countries of the world in 1913 and 1924. According to the figures in that table India stood in 1913 eighth on the list of countries in the matter of the total value of foreign trade. In 1924 she had risen to the fifth place, and there is little doubt that she has maintained that position throughout 1925. In spite of a fall in values and the depression in the piece-goods trade, India's total foreign trade in the first ten months of 1925-26 amounted to 496.43 crores or only 16.81 crores less than the figure for the corresponding period of the previous financial year. The net imports of bullion during

the calendar year 1925 amounted to 80.92 crores of which 60.69 crores represented gold. This latter figure is the highest ever recorded. But the boom in the demand for gold had nearly spent itself in the first three months of the calendar year, and the imports of gold in the ten months of the financial year beginning on the 1st of April 1925 at 28.10 crores are 18.09 crores below the corresponding ten months of 1924-25. The visible balance of trade including private imports of treasure was in favour of India at the end of January to the extent of 85.82 crores of rupees—a figure which should be compared with 42.29 crores a year ago and 63.30 crores in the corresponding period of the year 1923-24.

7. The rupee-sterling exchange has shown persistent strength almost throughout the year, and for the time being at any rate we seem to have come to an end of the wide fluctuations which have been a feature of the post-war period. Thanks in large measure to the steadiness of exchange and also to other causes such as the abstention of the Government of India from the loan market for purposes other than conversion—a subject to which I shall have occasion to refer later—the busy season of 1925-26 promises to be remarkable for an almost complete absence of stringency in the money market. After the severe stringency of the winter of 1923-24, conditions in the following season of 1924-25 showed a noticeable improvement and the bank rate did not rise above 7 per cent. and that only for a period of 4 months from January to May 1925. It was reduced by the third week in May to 6 per cent. and by the first week in July to 4 per cent. The rate was raised again to 5 per cent. in the fourth week of September and remained there till the first week of December, when it went up to 6 per cent. If, as seems possible, we are able to get through the busy season of this year with a rate not higher than 6 per cent., this will be the first occasion since the establishment of the Imperial Bank of India when the rate has not risen as high as 7 per cent., and if we leave two exceptional war years out of the account when conditions were artificial, it will represent what I think must be a record in the history of Indian banking, and will be an achievement for which the authorities of the Imperial Bank of India will deserve our special thanks and congratulations.

REVENUE, 1925-26:

Customs:

8. Our Customs revenue for the current year reflects accurately the trade conditions at which I have glanced. The suspension of the Cotton Excise Duty from December onwards, coupled with the notable fall in values, has had the result of reducing our income from the duty by 71 lakhs as compared with the Budget estimate. The yield from the import duty on cotton goods was estimated cautiously at 7.30 crores, or 40 lakhs less than the revised estimate for 1924-25, but it is not now estimated that we shall collect much more than 6 crores. On the other hand, the increase in the world production of sugar has resulted in a very heavy fall in sugar prices leading to a large increase in the imports into India, and thanks to the action of the Legislature a year ago in passing an Act converting the previous *ad valorem* duty on sugar into a specific duty, our revenues have benefited very materially. Our present anticipations point to an increase of 1,30 lakhs under sugar, fully counterbalancing the decrease under cotton piece-goods. Protective duties show increased yields, and as I have already mentioned, the reduction in the excise duty on motor spirit has proved a great success in that it has led to no such decrease in the yield as cautious estimating made it necessary for us to anticipate a year ago. Thanks to these counterbalancing factors, we now anticipate, in spite of the loss of 71 lakhs on Cotton Excise Duty, gross receipts from Customs for the year of 47.83 crores, which is 30 lakhs higher than the Budget figure. A probable saving of 20 lakhs under refunds enables us to anticipate a total improvement of 50 lakhs in the net receipts which we now put at 46.85 crores.

Taxes on Income.

9. Under Taxes on Income, which are based on the profits of the previous year, we made what we considered a conservative estimate for 1925-26 in taking a net yield of 17.35 crores which was 87 lakhs below the Budget estimate of 18.22 crores for the previous year, though the figure actually realised in 1924-25 proved to be 16.01 crores only. Unfortunately our estimate under this head has again proved over-sanguine. The gross receipts

are now estimated at 17.88 crores, which is 69 lakhs less than the Budget estimate, while refunds, etc., exceed the estimate by 41 lakhs, making the net yield 16.25 crores, or 1,10 lakhs less than anticipated.

Salt.

10. With the salt duty at Rs. 1-4-0 we budgeted for a normal year's receipts. It has proved, however, that we made insufficient allowance for the large accumulation of stocks which followed on the reduction of the duty in March 1924. The off-take of salt in the early months of the summer, particularly from the Northern India salt sources, was much below normal and for the year as a whole we expect a decrease of 55 lakhs, making a net yield of 6.40 crores in comparison with the budget figure of 6.95 crores.

Opium.

11. A supplementary grant of 51 lakhs was passed by this House during the Simla session in order to meet extra payments to cultivators in the United Provinces on account of the high outturn of the opium crop. The extra payments required, owing partly to savings elsewhere, are now expected to be 35 lakhs only, and they will be more than counterbalanced by the increase in receipts. The stocks of excise opium in treasuries which, as I explained in my Budget speech last year, were taken over and paid for by the Local Governments as on the 1st April, 1925, have proved to be higher by 24 lakhs than we had allowed for, thus adding by this amount to our non-recurrent receipts under this head. After taking these and other factors into account, we now anticipate that our net revenue from opium in the year will be 2.24 crores, which is 48 lakhs higher than we estimated last March.

Railways

12. In framing our estimate of the receipts of the General Budget from railways we allowed for the fixed contribution of 5.09 crores together with an estimated receipt of 15 lakhs representing one-third of the excess over 3 crores expected to be transferred to the Railway reserve. The net earnings from railways have proved, as the House is aware, slightly higher than anticipated in the original Budget, so that our share in the surplus over 3 crores is increased by 8 lakhs, and the total contribution from railways is estimated at 5.32 crores.

Other Revenue Heads.

13. We expect an increase of 43 lakhs under Interest owing mainly to higher rates for short money in London and higher cash balances there, and for similar reasons we anticipate an additional 46 lakhs of interest on investments of the Currency Reserves. The receipts from the Enemy Ships account and the first instalment of Reparation payments from Germany under the Dawes scheme give us an extra 21 lakhs under the head of Extraordinary revenue. This completes my survey of the Revenue side of the account for 1925-26, and explains my reasons for putting the revised estimate of revenue for the year at 131.35 crores instead of 130.68 crores.

EXPENDITURE, 1925-26.

Exchange.

14. For a great part of the year we have been effecting our remittances at the fixed figure of 1s.6$\frac{3}{16}$*d.* and we are now able to anticipate that the average rate of exchange for the year as a whole for accounts purposes will be 1*s.* 6 3/32*d.* as against the Budget figure of 1*s.* 6*d.* Apart from an improvement of 6 lakhs in our railway revenues which affect us only indirectly, and again of 7 lakhs in regard to our capital expenditure, the revised figure for exchange accounts to the extent of 10 lakhs for an improvement in our revised budget of revenue and expenditure.

Military Services.

15. The variations in the largest item of our expenditure, Military Services, are not of the same magnitude as in previous years. The net expenditure on Military Services, according to the Budget estimate for the current year, was 56¼ crores. Accuracy in reaching a revised figure for military expenditure at this period of the financial year is always specially difficult to attain, but the course of expenditure up to date points to a total net figure of 56.28 crores, or practically the same figure as our first forecast. Scrutiny of the account for non-effective services between India and the War Office has led to a special credit, for which no provision was made in the estimates, of about 70 lakhs, representing a revision of the account with retrospective effect from 1919. As against this, expenditure in India has markedly exceeded the estimate in certain directions. A special provision amounting to 40 lakhs has had to be made for the purchase of certain kinds of ordnance equipment in which serious shortage has been disclosed. His Excellency the Commander-in-Chief has instituted an expert enquiry into the whole question of ordnance equipment with a view to ensuring that the real facts may be brought into clearer light and that the reasons for these shortages, which ought not to have occurred, if the system of control had been working properly, may be fully disclosed. A special grant of 15 lakhs has also been allotted for the purchase of supplies of ghee in March in advance of next year's requirements, it having been ascertained that by purchasing at an earlier date each year considerable economies can be effected. Savings of 16 lakhs on pension charges in India and an excess expenditure of about 20 lakhs owing to higher prices for articles of food and forage, are among the most important of the other variations. Since the net result of these variations is to bring the revised figure for net military expenditure out at practically the same total as the original Budget, the Finance Department are entitled to congratulate themselves on the satisfactory operation of the system introduced in connection with the 1925-26 budget, of making a lump sum cut, which amounted this year to 20 lakhs, over the total military estimate.

Civil Expenditure.

16. I have already mentioned the excess of 35 lakhs in opium expenditure. Interest charges on permanent debt also exceed the estimate by 35 lakhs owing to the capital expenditure on railways having been less by 3½ crores than the budgeted figure, to a reduction in the interest chargeable to the Posts and Telegraphs Department, of which I shall speak later, and to the fact that the rate of interest chargeable on railway and other capital expenditure since 1917, which is arrived at by taking an average of the rates at which the Government of India have borrowed since that date, has proved to be less than the figure assumed at the time of the preparation of the Budget. Plans are being worked out with a view to a modification of this rather complicated system of calculating interest and the substitution of a new procedure which will be less likely to disturb our Budget estimates. On the other hand, the revised figures of 1925-26 profit by an unexpected credit of 30 lakhs under the head of Interest owing to the payment by the Bombay Government of interest to the Provincial Loans Fund for 15 months instead of 12 months—a change of procedure introduced in order to bring their interest dates to the 31st March in each year. Slight variations in regard to other Civil expenditure apart from Posts and Telegraphs mostly cancel each other. The increased bounties on steel are almost exactly set off by the transfer of the charges on account of the Security Printing Press at Nasik to capital.

Precautions Against Over-estimating.

17. I have already referred to the successful operation, so far as military expenditure is concerned, of the system introduced a year ago, with a view to preventing over-budgeting of making a lump sum cut. The total cut made in the estimates of Civil expenditure was 15 lakhs. It was made under twelve different heads, and in all except two cases the cut has justified itself, the total expenditure having been kept by the Departments concerned within the reduced grants. The two exceptions are the Survey of India and the Indian Stores Department, in regard to both of which the House has already voted supplementary grants As I explained in my Budget speech a year ago, this new procedure was regarded as experimental and we are proposing to repeat it for a second year in connection with the Budget for 1926-27.

Posts and Telegraphs.

18. The working of the Indian Posts and Telegraphs Department in the current year requires rather fuller treatment. The total gross receipts are now expected to be 10.23 crores, or 18 lakhs lower than the estimate. On the other hand, there is a saving of 19 lakhs in working expenses, which owing to certain abnormal circumstances which I shall explain shortly are now estimated to amount to 9.57 crores. This makes the net receipts 67 lakhs, as against our anticipation of 65½ lakhs. This figure is of course exclusive of interest charges. At the time of the Budget it was anticipated that the final result of the working of the department for the year, after adjustment of interest, would be a small loss of Rs. 60,000. The figure included in the Budget for interest was 66 lakhs and was based, as I explained a year ago, on a rough figure, not at that time completely examined, for the total capital outlay on the Indian Posts and Telegraphs Department. The figure taken was lower than the capital outlay as shown in our books, and the intention was that the interest actually charged should be based on the depreciated block value of the assets of the department on the 1st of April, 1925, when finally ascertained. The departmental investigations into the value of this block have now been completed but the report is still under consideration. According to the figures in this report, the value of the assets is very much less than the book value, but the exact figures have still to be settled. For the present, I have felt justified in taking a round figure of 49 lakhs for interest as against the figure of 66 lakhs taken in the Budget. On this assumption, the net result of the working of the department as a whole is a profit of nearly 18 lakhs. This surplus is, however, non-recurring. The expenditure on postal stationery and stamps included in working expenses was 10 lakhs below the normal owing to the fact that the department was eating down stocks during the year. In addition, a previous wrong adjustment to the extent of about 8 lakhs under the head of Stationery and Printing charges had had to be corrected in this year's accounts, thus reducing the working expenses by a non-recurrent sum of 8 lakhs. The true estimated profit is thus reduced to vanishing point unless further savings accrue in working expenses, and unfortunately there is still some doubt as to the correctness of the figure for interest.

19. The House will remember that in my Budget speech a year ago I explained that it was proposed to transfer to Capital the stocks of postal and telegraphic stores carried on revenue account on the 31st March, 1925. The total value of such stores in the Indian Posts and Telegraphs Department was then estimated to be 1,24 lakhs. The actual balance has proved to be 1,61 lakhs. The stocks held in the Indo-European Telegraph Department have also to be taken into account, and as the credit on this account has proved to be 15 lakhs more than we allowed for, the total amount of this non-recurring credit to Revenue during the year 1925-26 will be 1,81 lakhs.

20. It will be seen that the revised estimates of revenue and expenditure for the current year, have had to be arrived at after taking into account considerable variations not contemplated in our Budget estimates. The most important of these, apart from the results of suspending the Cotton Excise Duty, are the increased credit to Revenue of 52 lakhs from Posts and Telegraphs stores which I have mentioned, the increase of 24 lakhs in the value of the stocks of opium at treasuries taken over and paid for by Local Governments this year, the transfer of 17 lakhs of revenue expenditure to capital account in the case of the Security Printing Press at Nasik, and the decrease in net expenditure under the head of Interest amounting to 30 lakhs resulting from the payment by the Bombay Government of interest for fifteen months instead of twelve. All of these four items are in the nature of book-keeping transactions, but they have none the less the effect of swelling our surplus. The figures given in the Budget estimate for revenue and expenditure for the year were 130.68 crores and 130.44 crores respectively, leaving an estimated surplus of 24 lakhs. The improvement shown in the revised estimates is 1,06 lakhs, the figure for revenue being 131.35 crores and for expenditure 130.05 crores. The four special items which I have mentioned aggregate 1.23 crores and more than account for the increased surplus.

21. The following statement shows the main variations in revenue and expenditure working up to this total:—

	Lakhs. Better.	Worse.
Customs	50	..
Taxes on Income	..	1,10
Salt	..	55
Opium (net)	48	..
Interest receipts	43	..
Currency receipts	46	..
Extraordinary receipts	21	..
Interest on debt (net)	..	35
Posts and Telegraphs	77	..
Railway contribution	8	..
Other heads	13	..
	3,06	2,00
Total, better ..	1,06	
Budget surplus ..	24	
Revised surplus ..	1,30	

Indian Archæological Fund.

22. This anticipated surplus would in the ordinary course be applied automatically to the reduction or avoidance of debt. The Government of India, however, desire to place before the Legislature a proposal for the utilisation of 50 lakhs of this surplus for the formation of an Indian Archæological Fund. The details of the proposal which will be embodied in a Bill will be explained more fully to the House in due course. Its financial effect will be to apply 50 lakhs of the surplus, which would otherwise go to debt redemption, for the purpose of capitalising our liabilities in connection with archæological research. It is not therefore except in form a departure from the sound rule that a realised surplus should go to reduction of debt. Future budgets will be saved from a revenue charge on this account, but as it may be assumed that our outstanding debt will be 50 lakhs higher than it would otherwise be and our interest charges consequently increased, the net ultimate effect on future budgets is *nil.* Its immediate effect upon our revenue estimates for the current year will be to reduce the revised figure for the surplus to 80 lakhs.

23. We who are living in Delhi do not need to be reminded of our debt to the Archæological Department. When in the intervals between our deliberations we visit any one of the historical monuments that surround us, we realise the care and skill which have been devoted to preserving these ancient structures and to beautifying their surroundings. We realise and are grateful. But this is not the only side of the Department's activities. There is another which is perhaps less well known, the work of excavation. Some of us have had the privilege of visiting Taxila and studying the fascinating antiquities, taking us back two thousand years in Indian history, which have been unearthed there in the last two decades. We are glad that they are now to be housed in a suitable museum. But if Taxila takes us back two thousand years, the recent discoveries at Harappa and Mahenja-Daro will, if the evidence is confirmed, transport us in one flight to a period of Indian history three thousand years earlier. Nay more: they hold out expectations of enabling us to get back thousands of years earlier still to a period in human history which was as remote from the inhabitants of Mahenja-Daro in the year 3000 B.C. as those ancient Indians of the Indus Valley are from us to-day. The Indo-Sumerian discoveries open up a vista which may once again revolution is the world's knowledge of the early history of mankind. Their possibilities are such that they must excite even the most unimaginative.

24. Sir John Marshall, to whom since the day when the late Lord Curzon brought him here Indian archæology owes a very great debt, has stated that a hundred crores of rupees could be spent on archæological research in India without doing more than scratch the surface. Almost the only source from which funds are at present available for excavation in India and Burma is the Central Budget. However desirable archæological expenditure may be in the cultural interests of India and of mankind, it is obvious that the taxpayer cannot be asked to give more than comparatively small sums. In 1923-24 the grant for Archæology was cut down severely under the influence of retrenchment. In 1925-26 the sum available for research was about 1.3 lakhs including the provision made in connection with Sir Aurel Stein's special work in Central Asia. The Finance Department have been pressed to provide a considerably larger sum in 1926-27, but we intimated that about 2½ lakhs was the maximum which we could see our way to grant.

25. Meanwhile, in spite of the obvious importance of following up the recent discoveries, the Archæological Department have found that they cannot frame a considered programme for a period of years and cannot train young Indians as archæologists in the absence of the possibility of giving them security of tenure or employment. The idea has accordingly been mooted that an Indian Archæological Fund should be started, and a Board of Trustees established somewhat on the lines of the Trustees of the British Museum. Once the Fund came into effective existence, it might, it is hoped, attract donations from Indian Princes and from others interested in archæology and from winter visitors to India whose imagination is I find always stirred by Indian monuments. The essence of the proposal which will be placed before the Legislature therefore is that, instead of voting a grant of 2½ lakhs in the estimates for 1926-27 it should make a supplementary grant of 50 lakhs out of the surplus of 1925-26 as an initial endowment for the Fund. As I have already explained, this amounts to little more than a book-keeping change so far as our budgets for 1926-27 and for future years are concerned. Meanwhile, however, the Fund will be well started; the interest on the endowment of 50 lakhs will bring in approximately 2½ lakhs a year to be spent on archæological research. The Trustees will be able to make an attractive appeal in other quarters for additional endowments and can go ahead to frame a programme and to train budding archæologists. Archæological excavation is the most practical form of historical research, and it is a form in which I am convinced India can make an immense addition to the world's historical knowledge. But it is ineffective unless it can be pursued on an adequate scale and according to a programme based on the regular receipt of at least a minimum income. The income of the proposed Archæological Fund will be devoted to systematic and continuous archæological excavation. The people of India are justly proud of their past and I feel sure they will welcome the establishment of this endowment for historical research.

Ways and Means and Public Debt.

26. The real improvement which has come about in the finances of the Government of India during the last few years and the strength of our position during the financial year 1925-26 are strikingly reflected in the figures of our Public Debt and of our debt position generally and in the story of our ways and means operations. The House will remember that in my Budget speech last year I stated that not only did we not anticipate any necessity for borrowing outside India during the year, but also that the maximum amount that we should require to raise by a rupee loan in the open market in India would be 12 crores. I stated that it was not improbable that at the same time as we approached the market for a rupee loan we should also place before the public a conversion offer with a view to beginning operations for the conversion of early maturing bonds. In the event, we found ourselves able in June 1925 to announce that our operations in the market in India would be confined to a conversion loan in view of the improvement shown by the figures of our actual balances on the 31st March, 1925, in comparison with our anticipations indicated in the revised budget figures. This increase in balances was mainly due to the increase in the net railway earnings which affected both our revenue surplus and our ways and means position, and to the drawings upon us by the Provincial Governments proving very much less than they had anticipated at the time they framed their budgets.

27. Our ability to dispense with a cash loan was most welcome to the money markets of India, but it was a subject of some comment in various quarters that the estimates framed

at the time of the introduction of the Budget were proved only three months later to be so far out. I am inclined to think that the phraseology consecrated by long usage in Indian Budget speeches which refers to the ways and means portion of the statements as a "Ways and Means Budget" is somewhat misleading, in that it may tend to give the public the impression that the figures and estimates in the ways and means portion of the Budget make a claim to comparative exactness not inferior to that made by the figures of our revenue and expenditure estimates. Our Ways and Means Budget is intended to be and necessarily must be illustrative rather than exact. The ways and means figures bring together the net results of operations of very varying character all over India and Burma and in London. To a large extent these operations are either not under the control of the Government of India at all or only very indirectly under their control. The aggregate result of the variations in the estimates of incomings and outgoings of the Provincial Governments on Revenue and Capital account brought to light between the date at which the Central Budget figures were prepared and the date when the balances of the Provincial Governments on the 31st March, 1925, began to be approximately ascertained—a period of from 3 to 4 months—accounted for a reduction of not far short of 6 crores in our estimate of the finance required during the year 1925-26 for meeting aggregate outgoings. Apart from the operations of the Provincial Governments, our balances are affected by the incomings and outgoings on account of various deposit and advance heads, sums received and paid out in respect of provident funds of various descriptions, deposits and withdrawals of the Post Office Savings Bank, and purchases and encashments of Post Office Cash Certificates. In these circumstances it is neither possible nor desirable to attempt to lay down a rigid ways and means programme far in advance. The only result of doing so would necessarily be to swell our balances needlessly. At the same time it is certainly desirable that we should do anything that may reasonably be possible to secure greater accuracy in the estimates of Provincial Governments' incomings and outgoings, and I am not entirely satisfied that improvement in the machinery for dealing with our deposits and advances accounts is unattainable. These and cognate subjects are at the present moment engaging the careful attention of the Finance Department of the Government of India.

28. The decision to confine our market operations to the conversion loan in the summer of 1925 has been amply justified by results. In spite of heavy remittances in advance of requirements in London, we have been able to finance our outgoings in India without serious inconvenience, and without resort to the money market for temporary accommodation or assistance from the Imperial Bank in the form of ways and means advances. The conversion loan resulted in conversions of bonds maturing during the years 1925 to 1928 to a total of 30.61 crores, of which over 25¾ crores were conversions into the 5 per cent. income-tax free loan of 1945-55, and about 4¾ crores into the new issue of 10-year bonds liable to income-tax The conversion loan involved immediate cash payments which amounted to 87.6 lakhs. This sum, however, included the premiums on 1925 and 1928 bonds to the extent of 23.4 lakhs which would have had to be paid at maturity in any case. The additional amount of cash payments involved may therefore be put at 64.2 lakhs. As the result of the conversion loan we have effected an annual saving in interest on the bonds converted of approximately 18.7 lakhs, and in addition 4¾ crores of the public debt have become subject to income-tax instead of being income-tax free. Moreover, apart from this considerable reduction in our annual charge for interest, we have reduced our liabilities for the repayment of maturing loans during the next three years by nearly 29 crores, and in particular our liability in respect of the 6 per cent. bonds maturing in September 1926 has been brought down from 37.9 crores to 20.05 crores. This operation has thus materially eased the problem of dealing with our maturing debt, the magnitude of which I had occasion to explain to the House in a speech on February 18th, 1925, as well as in my Budget speech a year ago, and we hope to reap further reward from this successful conversion operation when the time comes for the issue of a rupee loan next summer.

29. Before dealing with this latter question it would be convenient for me to summarise our ways and means position for the years 1925-26 and 1926-27. The figures are as follows :—

(Figures in crores of rupees.

	Revised, 1925-26.	Budget, 1926-27.
Outlay.	Rs.	Rs.
1. Railway capital outlay	19.5	26.0
2. Other capital outlay (including Delhi, Posts and Telegraphs, Vizagapatam Harbour, etc.)	4.5	2.5
3. Provincial Governments' transactions	6.0	7.0
4. Discharge of Debt	38.3	23.8
	68.3	59.3
Resources.		
1. Surplus	.8	..
2. Rupee Loan	30.6	22.0
3. Postal Cash Certificates	6.4	4.0
4. Other unfunded debt (including Postal Savings Banks) ..	5.8	5.6
5. Debt Redemption	5.0	5.0
6. Depreciation and reserve funds	7.0	5.6
7. Miscellaneous (net)	.7	2.1
8. Reduction of Cash balance	12.0	15.0
	68.3	59.3

30. The House will share the satisfaction of the Finance Department and of the Government of India in the strength of the position which these figures disclose. During the year 1925-26, instead of borrowing over 7 crores net in the market in India as anticipated in the Budget statement, we have discharged 2 crores net of market debt in India and have paid off 5.7 crores of market and other debt in England. Nevertheless, we have financed during the year new capital expenditure chargeable to loan funds to a total of 30 crores of which 6 crores is on behalf of Provincial Governments through the Provincial Loans Fund. How has this striking result been achieved? A fuller explanation would involve a closer analysis of the figures than is perhaps desirable in a Budget speech, and I must be content to refer only to the main items. Our capital expenditure has been financed in the first place to the extent of about 12 crores by a reduction of balances, though these are still about 14 crores higher than we anticipated a year ago. Our Debt Redemption scheme gave us 5 crores and our revenue surplus will give us 80 lakhs. The Post Office Cash Certificates and other unfunded debt, including the surplus of Post Office Savings Bank deposits over withdrawals, and the railway reserve and depreciation funds provided us with the balance. The incomings from railway reserve and depreciation funds and from cash certificates were in each case about 2 crores more than we had estimated.

31. In 1926-27 maturing debt falling due for repayment including railway debentures to be redeemed in England amounts to nearly 24 crores. The capital expenditure of the Central Government amounts to 28½ crores of which 26 crores is railway capital outlay. The Provincial Loans Fund estimate shows an outgoing of 7 crores for advances to Provincial Governments. We thus require nearly 24 crores for maturing debt and 35½ crores for new capital expenditure, or nearly 60 crores in all. In order to meet this liability we expect to be able to draw further on our cash balances to the extent of 15 crores. We look for 11½ crores from miscellaneous sources including Post Office Cash Certificates and other unfunded debt, and about 5 crores each from the Debt Redemption provision and from railway reserve and railway and other depreciation funds. So far therefore as we are able to judge from our present estimates, we shall require to raise a loan in the money market of an amount not exceeding 22 crores. There is no likelihood of our having to resort to external borrowing during 1926-27, this being the third year in succession in which the issue of an external loan will have been avoided. We expect to confine ourselves accordingly to the issue of a rupee loan in the Indian money market for a sum not exceeding 22 crores, of which 20 crores will

be for the renewal of the bonds maturing next September. The net amount of new money required from the Indian market will not exceed 2 crores, which is less than the amount needed to pay off external debt in London. More than the whole of our new capital programme amounting to over 35 crores will be financed without recourse to market borrowings. It will be a matter for consideration whether at the same time as we issue our rupee loan we should offer a further opportunity to holders of bonds maturing after 1926 for anticipatory conversion, as we did last year.

32. In any case I feel confident that the strength of the position thus disclosed following on what was achieved during 1925 will have a markedly favourable effect on the terms on which we shall be able to borrow. The progressively falling rate of interest at which our loans in India have been taken up by the public will continue to operate to our advantage. Our conversion issues last summer were offered on a basis of 5 per cent. tax-free or about 5½ per cent. subject to tax. It is interesting to observe that the new 5 per cent. bonds subject to tax are now quoted in the market at a price showing a considerable premium over the issue price and our 5 per cent. tax-free loan 1945-55 now stands definitely above par. The following figures showing the market prices of Indian Government securities in India for the last four years tell their own tale.

	Market price on			
	1st February 1923.	1st February 1924.	1st February 1925.	1st February 1926.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
5 per cent. Tax-free loan 1945-55	88 4	96 10	97 15	100 12
3½ per cent. Indian Government Rupee loan ..	57 0	66 0	66 9	70 8

33. While I am dealing with this subject, I should like to draw attention also to the movement of prices for Indian Government stocks in London, which brings out clearly the advance in the Indian Government's credit in that market which has resulted from the absence of any new borrowing since May 1923, and from the general improvement in India's financial position. As I pointed out last year, we were fortunate in the rate we secured in May 1923 for our last loan in London. Generally speaking, prices of gilt-edged securities on the London market stood at a higher level at that period, than they have done at any time since that date, when we offered £20 million of India 4½ per cent. stock to the public at 90. The market prices of gilt-edged securities in London including Indian Government loans are at all times governed by the general conditions of the market, and have during the last year been considerably affected by the comparative stringency which followed on the steps taken to restore and maintain parity of sterling with gold. The following figures compare the price of India 3 per cent. and 3½ per cent. stock in London in April 1914, April 1923 and February 1926, with the prices of certain other gilt-edged securities at the same dates:—

	30th April 1914.	30th April 1923.	1st February 1926.
India 3 per cent. loan	75¼	60¼	58
India 3½ per cent. loan	88¼	70¼	68
Local loans 3 per cent. stock	87	69⅛	64¼
London County Council:			
3½ per cent. stock	97	79⅞	73
3 per cent.	81	68½	63

I give a further table comparing the price of India 4½ per cent. stock on 30th April, 1923, and 1st February, 1926, with the price of British Government 3½ per cent. conversion loan on the same dates.

	30th April 1923.	1st February 1926.
India 4½ per cent. stock	90⅜	88¾
3½ per cent. conversion loan	81	76 5/16

It will be seen that, though owing to general market conditions the prices of Indian Government securities are lower now in London than they were either in April 1923 or in April 1914, the credit of the Government of India stands considerably higher in the market

in relation to that of the British Government and other gilt-edged borrowers than it did either in 1914 or in 1923. Another rather remarkable conclusion which emerges from these figures is that the Government would at the moment at least have to pay rather a higher rate of interest for money borrowed in London than for a loan issued in India.

34. It is not open to doubt that the improvement in India's credit to which I have drawn attention is due to the strenuous efforts made by the Government of India and the Legislature to restore and maintain complete budgetary equilibrium and to the policy which we have adopted in regard to provision for reduction and avoidance of debt and to strict adherence to our rule of borrowing only for purposes which are clearly reproductive. The effect of this policy of encouraging whenever possible all sound schemes that come forward for capital expenditure of a reproductive character and using our credit in the market only for the purpose of financing such reproductive expenditure, apart of course from the financing of maturing liabilities, is further illustrated in the figures which I now proceed to give regarding the Debt of India. As this is the last Budget with which the present Assembly will be called upon to deal, I have had figures prepared showing the position of our debt as on the 31st March, 1923, in order to bring out the changes which have taken place during the three financial years corresponding to the three years of life of the present House.

Statement showing the Debt of India, outstanding on the 31st March, 1923, 31st March, 1924, 31st March, 1925, and 31st March, 1926.

———	31st March 1923.	31st March 1924.	31st March 1925.	31st March 1926.
		(In crores of Rs.)		
In India:				
Loans	339.83	358.81	370.38	368.35
Treasury Bills in the hands of the public ..	21.59	2.12	..	..
Treasury Bills in the Paper Currency Reserve ..	49.65	49.65	49.65	49.65
Other Obligations—				
Post Office Savings Banks	23.20	24.79	25.64	27.48
Cash Certificates	3.13	8.42	13.12	19.52
Provident Funds, etc.	36.17	39.00	42.39	46.27
Total Loans, etc. ..	411.07	410.58	420.03	418.00
Total Other Obligations ..	62.50	72.21	81.15	93.27
Total in India ..	473.57	482.79	501.18	511.27
In England:		(In millions of £)		
Loans	222.92	244.53	263.39	266.43
War Contribution	19.71	19.27	18.81	18.32
Capital value of labilities undergoing redemption by way of terminable railway annuities.. ..	61.31	60.10	58.84	57.53
Provident Funds, etc.	.04	.13	.16	.20
Total in England ..	303.98	324.03	341.20	342.48
		(In crores of Rs.)		
Equivalent at 1s. 6d. to the Rupee ..	405.31	432.04	454.93	456.64
Total Debt ..	878.88	914.83	956.11	967.91
Productive — for Central Government	536.65	557.09	600.05	627.71
Productive — for Provinces	87.49	97.56	106.43	114.39
Total Productive ..	624.14	654.65	706.48	742.10
Unproductive..	254.74	260.18	249.63	225.81
Total ..	878.88	914.83	956.11	967.91

35. In order to show the figures of our external debt in a significant way, I have converted sterling at the current rate of 1s. 6*d*. per rupee not only for 1925 and 1926 but also for 1923 and 1924. The improvement in our exchange has undoubtedly given us some temporary relief in the burden of interest and other payments on sterling debt, and its effect of course is to bring about a marked reduction in the rupee figure as compared with what it would have been at 1s. 4*d*. It must be assumed, however, that the higher rate of exchange has no permanent effect on the actual burden imposed on the country in meeting our external obligations since, if the number of rupees required is reduced, the commodity value or purchasing power of each rupee is correspondingly enhanced. The effect of taking 1s. 6*d*. is also particularly noticeable in regard to the unproductive debt figures. It will be seen that our total debt of all kinds had increased from 878.88 crores on the 31st March, 1923, to 956.11 crores on the 31st March, 1925, and by a further 11.80 crores to 967.91 crores on the 31st March, 1926. The unproductive debt was 254.74 crores on the 31st March, 1923, 249.63 crores on the 31st March, 1925, and will be 225.81 crores on the 31st March, 1926, out of a total debt of 967.91 crores. At the present moment it may be said, in order to put the position in a graphic way, that the whole of our rupee debt and more than half of our sterling debt is productive, and that our unproductive debt is now less than one quarter of the whole debt. Excluding the Provincial Governments' debt, the increase in the productive debt during the current financial year amounts to 27.66 crores, while the increase in the three years since 31st March, 1923, amounts to 91.06 crores. Unproductive debt has decreased during the year 1925-26 by 23.82 crores.

36. Our internal debt, excluding Provincial Governments' debts to the Government of India, on the 31st March, 1923, was 386.08 crores, on the 31st March 1925 394.75 crores, and on the 31st March 1926, 396.88 crores. Our external debt on the 31st March 1923 was 405.31 crores, on the 31st March 1925, 454.93 crores, and on the 31st March 1926 456.64 crores. The increase in our external debt during the current year is, as last year, purely nominal. The latter figure includes 4.67 crores or £3½ million of Great Indian Peninsula Railway Company's debentures which, exactly as was the case in 1924-25 with the 24.67 crores or £18½ million of East Indian Railway Company's debentures, are not really an increase in the debt of India as a whole but are merely a transfer from the railway company to the Government of the liability to meet the same interest charge out of the earnings from the same Railway. These two operations more than account for the whole of the increase in the net amount of our sterling debt since 1924. In real truth the operations of the last two years have effected a considerable reduction in India's external liabilities, since, besides taking over the debentures of the railway companies concerned, the Government of India have bought out the shareholders of these railway companies without borrowing in London for the purpose, thus converting an external debt into an internal debt. A further operation of the same sort will take place on the 1st April, 1926 when a sum of £3 million provided out of the Government of India's rupee resources andremitted in sterling to London will be applied to buying out the shareholders of the Delhi-Umballa-Kalka Railway.

37. I have more than once publicly stated my conviction that if India would only learn to use her potential capital in greater measure for productive purposes than she does at present—I do not mean merely for investment in Government securities—and by the development of the banking and investment habit would make available for remunerative expenditure in India a larger portion than she now does of the surplus which she earns annually by the export of her products, not only would an immense impetus be given to the commercial and industrial development of India's resources and new and attractive fields opened for the employment of her educated young men, but the process of converting external debt into internal debt could be very greatly accelerated. In two years the taxpayer of India has managed, without increasing his external obligations, to purchase for his own use and profit the equity of the East Indian Railway, the Great Indian Peninsula Railway and the Delhi-Umballa-Kalka Railway. Is not this an object lesson of what the future may have in store if we set our minds whole-heartedly to the development of our own internal resources by the wise application and investment of our own internal capital? The Government are doing what they can to forward the movement, but much must depend on private enterprise and initiative, on the spread of education of the right kind and on the combating of what has been well designated by my friend Mr. Rushbrook Williams, as India's "uneconomic tradition which does not recognise the production and accumulation of wealth as being among man's

legitimate aims." There are those, I know, who fear that acceptance of the legitimacy of such an aim would involve a prostitution of India's highest self to ignoble ends. What shall it profit a man if he gain the whole world and lose his own soul? If I believed that India's adoption of this Western economic doctrine would jeopardisethe high achievementsof India's speculative thought and sacrifice her spirituality to a materialistic and selfish creed, I would unhesitatingly range myself with the opponents of change. I do not think it is open to challenge that the depths of understanding of man's relation to the Infinite which have been attained by the best of India's speculative thinkers hold out to Western civilization as it exists to-day a hope of spiritual progress I stress the word "progress"—which is an essential complement and corrective to the materialism which springs from over-emphasis on the practical business of conquest of Nature's secrets and their compulsion to man's service. India long ago revolutionised mathematics and provided the West with the key to the most far-reaching of all among the mechanical instruments on which its control of nature has been built, when it presented to Europe through the medium of Arabic the device of the cypher upon which all modern systems of numeration depend. Even so, India, to-day or to-morrow, will, I feel confident, revolutionize Western doctrines of progress by demonstrating the insufficiency and lack of finality of much of the West's present system of human values. But I do not think that the denial of all value to Western endeavours to increase the production and accumulation of wealth is essential as a support to the Indian philosophy of life. I hold that increased production and accumulation of wealth are a means—in themselves indifferent, neither good nor evil—but an indisputable means towards the attainment of a higher ideal, the broadening and deepening of life's meaning for the individual and still more for the mass of mankind. What matters essentially is the purpose with which they are striven after, and East and West alike can and ought to strive after them as a means to a higher end. It is an Indian commentator on Mr. Rushbrook Williams' challenge who has said that the trouble is that this uneconomic tradition has not made the Indian less materialistic than the European, but it has made him a worse materialist.

Post Office Cash Certificates.

38. Among the instruments of our policy of encouraging the investment habit, the Post Office Cash Certificate takes a prominent place. This security combines in itself features belonging to savings bank deposits, in particular the facility for encashment at any time and protection against any risk of depreciation in value, together with some of the characteristics of an investment. It may be regarded as the ideal security for the very small investor enabling him to cross the bridge dividing a depositor in a savings bank from a holder of marketable investment securities. It has been observed in England, and is no doubt true in India also, that a considerable portion of the money withdrawn when Savings Certificates are cashed is not really thereby withdrawn from investment altogether, but is used for the purpose of reinvestment by the holder, for example, in house property, in the purchase of a business or in a marketable security of some kind. The money would very likely not be saved at all if it had not first of all been attracted to the profitable purpose of the purchase of one and then another cash certificate. It is then accumulated for a period at compound interest and when it comes to be withdrawn the sum now grown to larger dimensions is added to the invested capital of the country, and all the time a new class of small investor is being created by this process. During the year the popularity of the Post Office Cash Certificate has been even more pronounced than before and any action tending to check the growth of the habit of investment in cash certificates would be contrary to the true interests of India.

39. At the same time it must be realised that the rate of 6 per cent. compound interest, which is obtainable on a cash certificate held until maturity, is now unduly high when regard is had to the general fall in the rate of interest obtainable on other Government securities. We are moving on, as I have already said, towards a period when even 5 per cent. will seem a high rate of return on an investment issued on the security of the Government of India. The recent action of the Imperial Bank of India in reducing its rate of interest for savings bank deposits to 3½ per cent. may be cited as a further proof of the passing of the period of high interest rates generally. We are therefore considering the question of making some alteration in the terms on which the Post Office Cash Certificates are at present offered for subscription, while at the same time introducing certain new measures which will add to the popularity of these certificates and prevent any reduction in the yield from checking

seriously the growth of the habit of investing in them. I have observed recently some criticism of the Government's policy in offering these certificates for sale on the ground that the growth of bank deposits is thereby checked. In so far as these complaints have reference to the high yield at present obtainable, the reduction which we contemplate should remove any ground for objection. But I take issue with these critics when they imply that the general policy of issuing cash certificates militates against other forms of saving and depositing of savings with banks. No truth has been more firmly established by the experience of all the countries which have adopted and extended the system of cash certificates or corresponding securities than that the general stimulus to saving and investing which they give reacts beneficially on all other forms of saving.

40. The Government of India are not infrequently accused of want of elasticity in their approach to financial questions and lack of imagination and of sympathy with the burden of the taxpayer of the day. I take the accusation of want of elasticity as a compliment. It can, I think, mean little more than that we have a definite policy and stand by it. Imaginative finance is apt to mean a capacity to budget for imaginary receipts which fail to accrue. The easiest road to popularity for a Finance Member is the adoption of a policy of making posterity pay. I have already drawn attention to the really striking improvement in our credit and in the figures of our Public Debt which has resulted from strict adherence to the principles of avoiding all borrowing for other than truly productive purposes and making adequate provision for reduction or avoidance of debt. The common complaint against this policy is that it adds to the burden of the taxpayer of to-day by postponing the date when Provincial contributions can be further relieved and taxation reduced. I challenge even this conclusion. The direct result of our policy on the Budget figures for 1926-27 is that our total charge for interest is over 1 crore less than in the revised estimate for 1925-26 and 3.44 crores less than in 1923-24. A continuance of this policy is certain to lead, in the absence of untoward incidents, to a considerable further reduction in the charge for interest in 1927-28 and future years. Departure from it would have disastrous effects on the rate of interest which we should have to pay for renewals of our maturing debt and for the new capital required for reproductive purposes. If we are able this year to bring to an end the unhappy history of the Cotton Excise Duty, it is largely because of the reduction in our interest charges. Nor is it only the taxpayer of the Central Government who benefits by the results of this policy. The figures I have given relate to the net charge for interest in the Central Budget alone. If railway rates and fares are in process of reduction, it is in part due to the reduction in the charge for interest on capital, present and future, invested in our railway enterprises. If some of the Provincial Governments have received relief in regard to their Provincial contributions and if they and the other Provincial Governments are hoping for further relief, it is to an appreciable extent the reduction in our interest charges which has enabled us to do what we have done and which justifies our hope and theirs of further relief. Not only so, but the reduction in the charge for interest directly affects their own budgets, in that it serves to reduce the rate which they have to pay for their borrowings from the Central Government. A year ago the House showed its recognition of the wisdom of our policy regarding provision for reduction and avoidance of debt by endorsing that policy and voting in full the demand in which that provision was included. To-day I am able to show to the House the direct benefits of its wise action in this matter, and I trust that the House and the country will now realise that it is not from any desire to maintain taxation at a higher level than is absolutely unavoidable that we insist on the debt policy which we have adopted, but that such a policy is directly calculated to bring real advantages and real relief to the taxpayer of to-day as well as to the taxpayer of to-morrow.

Improvements in Financial Machinery.

41. Before I pass on to the Budget estimates for 1926-27, I desire to refer briefly to some not unimportant changes which have been made this year in the form of the documents which will shortly be placed before the House. A year ago, as the House will remember, we introduced various changes in the form of the Demands for Grants in the light of observations made by the Public Accounts Committee. This year we are in possession of the results of an enquiry conducted at the request of the Public Accounts Committee into the possibility of improving the appropriation reports on lines suggested by that Committee The Auditor-General's recommendations were considered by the Public Accounts Committee in August

last and received their general approval, and their wishes are being carried out in the Appropriation Reports for the year 1924-25 now under preparation. In order to bring the Demands for Grants into general conformity with the Appropriation Reports and thereby to facilitate comparisons between estimates and actuals, corresponding changes have been made in the form of the Demands for Grants for 1926-27. Each grant is now shown subdivided into a number of sub-heads and the actual expenditure will be accounted for under each so that the Public Accounts Committee, when they scrutinise the final accounts, will be able to compare without difficulty the actual expenditure with the budget provision under each sub-head and to fufil more easily their constitutional task of examining the extent to which savings under one sub-head have been utilised by the Executive Government towards extra expenditure under another. The existing division by circles of account has, however, been retained and details of expenditure are given in the same fullness as before. Another change which will jump to the eye of any one using these volumes is that we have reduced most of them to octavo size—a change which effects a considerable reduction in the cost of printing. It is not possible to alter the size in all cases this year, but our intention is to complete the process of conversion to octavo size in full a year hence.

42. A separate demand will be included in the 1926-27 Demands for Grants for expenditure in connection with the separation of Audit from Accounts in the United Provinces. This measure has been advocated by the Retrenchment Committee and by the Reforms Enquiry Committee from different points of view. The latter Committee held that separation of Provincial from Central finance was an essential preliminary to any appreciable advance towards provincial autonomy in financial matters, but before such separation can be accomplished, Provincial Governments must be in control of their own Accounts. Audit, however, appears to be a subject which should remain as at present in the hands of a single authority, the Auditor-General, all over India. The separation of Audit from Accounts is therefore involved as a preliminary to further advance and it appears to offer other incidental advantages. I need only mention two at present. The new system of accounting which we propose to introduce greatly facilitates a closer and more efficient control of expenditure by the Department responsible for that expenditure as a continuous process during the period of the expenditure. The Audit Department, on the other hand, is relieved from the mechanical routine duties involved in the present system and its audit becomes more searching. With the approval the of Secretary of State, therefore, we have decided as an experimental measure to introduce the new scheme of separation, as from 1st April 1926, in the accounts of the United Provinces whose Government have expressed their desire for its introduction.

BUDGET ESTIMATES FOR 1926-27—EXPENDITURE.

Military Expenditure.

43. The form in which the detailed military estimates will be placed before the House has not been materially altered as has been done in the case of the Civil estimates and the changes are confined to a more logical rearrangement of minor heads. As Honourable Members are aware, a Committee has been appointed to investigate the system of Cost Accounts at present in force in the Army, with a representative of the Public Accounts Committee of this House among the members. Our experience of the present system of cost accounts during the last four years and the fact that the British Government have recently decided to introduce radical modifications into the system of cost accounting in the British Army led us to the conclusion that such an enquiry had become necessary in India. Material changes in the form of the military estimates have therefore to be postponed pending the examination of the recommendations of that Committee. Fuller explanations have, however, been given of the various details of the military estimates in view of the desire expressed in the course of the budget debates last year by members of this House.

44. The net military expenditure for the year 1926-27 is estimated to amount to 54.88 crores, *i.e.*, a reduction of 1.37 crores as compared with the Budget estimates for 1925-26, thus marking a further stage in advance towards the goal set by the Retrenchment Committee. The provision for established charges amounts to 54.24 crores, the balance representing remnants of special post-war charges. The figure of 54.88 crores in-

cludes a sum of 66 lakhs for the payment of gratuities to demobilised officers, this being the last year which will be burdened with a charge of this character. 23 lakhs have been provided for the completion of the building programme in progress in Waziristan and for the Royal Air Force. On the other hand, we appear for the moment to have come almost to the end of the surplus war stores which have been a feature on the credit side of the account for some years past. We are allowing for a credit of only 25 lakhs under this head as compared with 70 lakhs in the Budget estimates of 1925-26 and 1,10 lakhs in 1924-25. The figure of 54.24 crores net for established charges includes a sum of approximately 60 lakhs for new urgent measures mainly of a non-recurring nature for the purchase of new equipment.

45. Among the more salient features in the new estimates I may mention first the disappearance of provision for one British Cavalry regiment, costing a sum of 22 lakhs a year which has now been dispensed with, this being the last of the specific reductions of strength following on the recommendations of the Retrenchment Committee which remained to be carried out. Charges for pensions in India and in England show a recurring reduction of 37 lakhs, while payments to the War Office for British transport charges have been brought down by 17 lakhs. It has been necessary to provide an additional 20 lakhs owing to higher prices for articles of food and forage, and an additional 20 lakhs is also included for the purpose of accelerating the programme of electrification of barracks and of building of new lines for Indian troops. As a set-off to this last liability, an additional credit of 20 lakhs is anticipated from the disposal of surplus military lands and buildings.

46. Our total expenditure on military services, including the Army, Marine, Military Works, and the Royal Air Force, amounted in the year 1920-21 to 87.4 crores net, of which about 20 crores represented special expenditure on operations in Waziristan. With the cessation of these operations, the Budget estimates for 1922-23, which formed the basis of the Retrenchment Committee's investigations, showed a net total expenditure of 67.75 crores. The recommendation of that Committee was that the Budget for 1923-24 should be fixed at 57¾ crores subject to such additions as might be necessary in view of the delay which would ensue in carrying out the changes recommended and in order to meet special expenditure in Waziristan, etc. The Committee went on to say that for subsequent years the adoption of their recommendations should enable the estimates to be reduced to 57 crores, irrespective of savings due to further economies or fall in prices, and they expressed the opinion that continuous efforts to ensure further reductions should, in combination with the expected further fall in prices, enable the military budget to be reduced to 50 crores net after the lapse of a few years. The actual expenditure of the year 1923-24 amounted to 56.23 crores and the first stage of 57 crores mentioned by the Retrenchment Committee was thus passed in the first year. The figure of 56.23 crores included heavy expenditure on gratuities to demobilised officers and in Waziristan, but these abnormal items were counter-balanced by credits from the proceeds of sale and utilisation of surplus stores. The Budget for the year 1923-24 allotted a net sum of 62 crores for military services. This was reduced in the Budget for 1924-25 to 60¼ crores, but by the time when the Budget for 1925-26 was under consideration the actual effect of the retrenchment operations, which it had been difficult to gauge in advance, had become apparent, and it was possible to reduce the budget provision for 1925-26 to 56.25 crores net.

47. The following table brings out the results achieved at a glance :—

Net expenditure of military services.

(In crores of rupees.)

	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.
Budget estimates	66.82	67.75	62.00	60.25	56.25	54.88
Revised estimate	69.35	67.09	59.74	56.33	56.28	..
Actual expenditure	69.81	65.27	56.23	55.63	..	..

These figures include certain disturbing items both on the credit and debit side, and it is therefore of special interest to compare the true figures of the established charges, that is, the normal cost after elimination of special chargessuch as thosefor demobilisation of surplus officers and special credits for the eating down of surplus stores. In comparing these figures with the figures given by the Retrenchment Committee, Honourable Members should bear in mind the fact that certain charges amounting in 1926-27 to 39 lakhs, of which the most important are the charges for Customs duty on imported stores and the cost of Stationery and Printing, have been added to the military estimates since 1923-24, as the result of new decisions regarding classification.

Adjusted figures of Established charges.

(In crores of rupees.)

	1923-24.	1924-25.	1925-26.	1926-27.
Estimate	61.9	59.4	55.0	54.2
Actuals	56.7	55.8	55.2 (revised estimate.)	..

48. I cannot allow this opportunity to pass without referring once again to the deep debt of gratitude which I owe to the late Lord Rawlinson for his whole-hearted co-operation and earnest determination to secure economy in expenditure on military services. His untimely death meant a grievous loss to me—I lost a personal friend and a colleague to whom I owed more than I can say—and India lost a true friend. The ideal at which he constantly aimed was an Army in India not larger than he regarded as absolutely essential in India's interests, adequately equipped and fully trained, so that India might obtain the maximum service from a fully efficient force at the minimum cost. Our military expenditure was kept during his regime under constant scrutiny by the Finance and Army Departments with the object of securing further economies. I gladly add that this policy has been continued under his successor and has the full support of His Excellency Sir William Birdwood. I am confident that adherence to this policy will result in still further reductions in our military expenditure without the sacrifice of that essential security which must always be our first aim.

49. We are fortunately able to foresee considerable savings of an automatic character in our established charges in future years, as the result of the reduction of the rates of pay of the British soldier which came into effect in October 1925. The immediate saving for 1926-27under this head is not appreciable as the reduced rates of pay affect only new recruits, but it is estimated that, taken in conjunction with the reductions below present cost which will in due course result from the recent revision of the pay of officers in July 1924, the savings from this source should amount to 12 lakhs in 1927-28, increasing annually to about 80 lakhs in 1930-31, and about 1¼ crores in 1933-34. Before leaving the military estimates, I must refer briefly to the question of stocks held by the Army on which I commented last year. During the course of the year the whole question has been completely examined and considerable modifications are necessary in the figures then given which were based only on information available at headquarters. A full statement of the balances now disclosed will be found in the volume of detailed estimates. The amount of stocks held proves to be appreciably in excess of the amount indicated in the figures placed before the Retrenchment Committee, and of those on which we have hitherto been working. One of the terms of reference to the expert committee of enquiry into the arsenals and ordnance depots which I mentioned earlier in my speech is the examination of surplus and obsolete stocks, and I have little doubt that a further reduction will be effected as the result of this enquiry.

Civil Expenditure.

50. I now turn to our estimates of Civil expenditure. The total figure of Civil expenditure in the revised estimates for 1925-26 is 41.46 crores ; the corresponding figure for 1926-27 is 41.76 crores. This small increase, which amounts to 30 lakhs, conceals a big

decrease. In 1925-26 we had a big non-recurring credit, originally estimated at 1.29 crores but now ascertained in the revised estimates to be 1.81 crores, on account of the transfer of postal and telegraphic stores (including the stores of the Indo-European Telegraph Department) from Revenue to Capital. The chief feature of the expenditure of 1926-27 is the reduction, whose significance I have already endeavoured to explain, of approximately 1 crore in the charge for interest. For market debt the charge for interest in 1926-27 shows a reduction of 1.79 crores on the current year's figures partly because of the effects of our conversion loan and partly because we were able to finance all our own capital expenditure including railways and the capital expenditure of Provincial Governments without addings to our market debt. On the other hand, there is an increase of 75 lakhs under Interest on miscellaneous obligations which includes interest on provident and similar funds, savings bank deposits, cash certificates and unfunded debt generally. The net reduction in interest charges is therefore, as already stated, about one crore.

51. A drastic reduction of the area under cultivation in the United Provinces by one-third results in a considerable reduction in our expenditure on opium. A further reduction is anticipated in the near future as the result of the substantial reduction in the prices paid to cultivators. These steps had already been taken, in consideration of the large surplus of stocks that we at present hold and of future requirements, before we arrived at the decision announced recently to recommend to the Legislature a policy of progressive reduction and eventual extinction of our exports of opium. On this important question of policy I need say no more at the present moment beyond drawing attention to the fact that it foreshadows the progressive reduction and eventual disappearance of a head of revenue which at present brings us in approximately 2 crores a year.

Additional Expenditure on Beneficial Services.

52. Our estimates of Civil expenditure include increased provision for what I may call beneficial services. I drew attention a year ago to the increase in the current year's estimates under these heads and a recent debate showed that the House shares the view of the Government of India that some addition to expenditure in these directions is both desirable and proper, and that the Finance Department's motto of wise expenditure within our available resources and avoidance of waste rather than retrenchment at all costs is endorsed by public opinion. Among new items and increases in existing items of expenditure on beneficial services included in the Demands for Grants I may mention an enhanced grant of 6¾ lakhs to the Indian Research Fund Association, an increase of about a lakh for education in the North-West Frontier Province, as well as a non-recurrent grant of about 1¼ lakhs for a new building for the Government High School at Peshawar, a further grant of Rs. 50,000 for the construction of the Victoria Hospital at Ajmer and a similar grant towards Dr. Shroff's new Eye Hospital in Delhi. We have increased the grants to the Benares and Aligarh Universities by Rs. 25,000 each and that to Delhi University by Rs. 10,000 and have provided 2 lakhs each as the first instalments of non-recurring grants to the two first-named Universities. Additional funds have been provided for research at Coimbatore, Pusa, and Muktesar, and for the development of the Dairy Farms at Bangalore and elsewhere and of the Anand Creamery recently taken over from the Military Department, and further provision has been made towards the completion of the new Forest Research Institute at Dehra Dun, where over 60 lakhs out of a total sanctioned programme of over a crore has already been spent.

53. The provision for reduction or avoidance of debt in accordance with the plan set out in the Government of India Resolution dated the 9th December, 1924, requires 4.83 crores in 1926-27 or practically the same figure as in 1925-26. The Government of India propose, however, to make two changes which affect the total amount of expenditure under this head in 1926-27. Two years ago on the passing of the amendment to the Sea Customs Act the practice was introduced of adding to the provision for reduction or avoidance of debt a sum equal to the Customs duty on stores imported on capital account including stores for the use of State-managed railways. I promised a year ago to reconsider this practice in the light of criticisms raised in regard to it in this House. There are objections in principle to inflating revenue at the expense of capital. Our object in amending the Sea Customs Act and making Government stores liable to duty was clearly not to increase the Customs revenue at the expense of our capital charges. I recognise, however, that there are arguments which

can be brought forward on the other side in view particularly of the fact that the railways pay a contribution to general revenues on the basis of their capital expenditure including whatever may have been paid in Customs Duty and that railway rates and fares are calculated with reference to the capacity of the railways to earn profits on the whole of their capital expenditure. We have therefore decided to meet the views expressed by critics in this House a year ago and omit this portion of the provision for redemption of debt. An opportunity for reconsidering the whole question can be taken at the expiry of the five-year period for which the Debt Redemption scheme is in force.

54. The second proposal which the Government of India are making in this connection will be found enshrined in a clause in the Finance Bill dealing with the disposal of the sums received by India from Germany on Reparation account. These sums represent India's share of the amount allocated to the British Empire out of the Dawes annuities. The actual allocation is full of complications. The payments by Germany for all treaty charges under the plan adopted vary from 1,000 million gold marks at the start to 2,500 million gold marks in the fifth year ; thereafter they are to be fixed at the latter sum together with a supplement computed according to an index of prosperity. The annuities are payable in German currency and the amount to be transferred to Germany's creditors outside Germany has to be decided by a Transfer Committee with reference to the capacity of Germany to make deliveries in kind or in cash without endangering the stability of the mark. Before the total amount so transferred outside is distributed, a number of charges have to be deducted including, for example, the cost of service of Germany's £40 million external loan, the cost of the Reparation Commission, the amounts allocated towards the payment of the Army of Occupation and of the Belgian War debt, and other items. The exact amount available for distribution is thus at all times problematical and extraordinarily difficult to forecast. The British Empire as a whole receive 22 per cent. of the total sum available, and India receives 1.2 per cent. of the British Empire's share. The best calculations that I have been able to make, which necessarily are based on somewhat arbitrary assumptions, point to an annual receipt by India over the next few years of sums varying between a minimum of £66,000 and a maximum of £250,000. In 1924-25 we received £37,400 and we expect to receive about £66,700 in 1925-26. The present estimate of receipts in 1926-27 is about £120,000.

55. The reparation receipts may be said broadly to cover in the case of India one or other of the following classes of expenditure : (*a*) pensions and allowances payable by the Government to war sufferers ; (*b*) expenditure incurred in replacing losses by enemy action or in repatriation of enemy nationals; (*c*) compensation payable to private persons and local bodies. So far as expenditure on replacing stores lost by enemy action and the cost of repatriation of enemy nationals are concerned, the receipts represent recovery of expenditure previously incurred by the Government. Such expenditure added to the deficits of past years and was in effect met from borrowed funds. Recurring expenditure is still being met by the Government in respect of pensions and allowances. Some part has already been covered but the major part will come in future years. The receipts which the Government now obtain from the Reparation account represent a contribution towards the capitalised value of such payments. The compensation payable to private persons and non-Government bodies stands on a different footing. The receipts on this account are not really receipts of the Government of India except in a technical sense.

56. It seems reasonable to utilise receipts from Germany under all but the last head for reduction or avoidance of debt rather than to treat them as an ordinary item of revenue. Only by this procedure will there be annual savings in interest in future to correspond to annual payments on account of pension. The Government propose therefore that payments for compensation shall be deducted from the total reparation receipts and applied for the purpose for which they are intended, and that the balance of our reparation receipts shall be devoted to the reduction or avoidance of debt. By thus applying these special receipts, the Government will I think be following the procedure which is most in accordance with financial propriety, and we shall at the same time avoid disturbance in our own Budget estimates arising out of the fluctuating and uncertain character of these receipts. This proposal and the proposal to bring to an end the practice of setting aside for debt purposes a sum equal to the Customs duty on stores imported on capital account are intended to be taken together. The result of the two proposals combined will be to relieve our revenues of a charge of about 7 lakhs of our estimate if receipts on reparation account is approximately correct.

57. This may perhaps be a convenient point at which to mention that we are continuing for 1926-27 the assignments on account of Customs duty on Government stores introduced as a temporary measure two years ago to those Provinces which have not yet obtained a reduction in their contributions to the Central Government. The only important item in this connection is a sum of 5.39 lakhs payable to Bombay. It is obviously desirable that these assignments, which are objectionable in principle, should be extinguished at an early date and we propose very shortly to take up this question in connection with the examination of the Report of the Taxation Enquiry Committee recently published, with special reference to their proposal for modifying the existing Devolution Rule 15 in regard to the payment to the Provinces of a share in Income-tax receipts.

REVENUE, 1926-27.

Customs.

58. I now turn to the estimates of our revenue. It is necessary to anticipate some diminution in the imports of sugar, but we may reasonably look for compensation for the sums thus lost in increased receipts from duty on cotton piece-goods and in what I may call the normal growth under other heads. On this basis the net revenue under the head of Customs is estimated at 48.15 crores, or, an increase of 1.30 crores over the revised estimate for the current year. This figure includes 1,75 lakhs of revenue from the Cotton Excise Duty. This may be regarded as a fairly conservative estimate of what the yield from the duty would be if it were continued. The yield in 1924-25, the last year in which the duty was fully collected, was 2,18 lakhs, while the highest figure during the last six years was 2,31 lakhs.

Taxes on Income.

59. The main change in the trade conditions of 1925-26 as compared with the previous year is that the cotton mill industry in Bombay has passed through what I hope will prove to be the period of its severest depression. We have to allow therefore for an appreciable reduction in our revenue from Bombay under the head of Taxes on Income. Conditions elsewhere have been on the whole better than in the previous year and our administration is increasing all the time in efficiency. We have adopted for 1926-27 a figure of 16.15 crores of receipts under this head or 10 lakhs less than our revised estimate for 1925-26. This represents 1.20 crores less than the Budget estimate for the current year.

Salt.

60. I estimate our receipts under the head Salt at the figure of 6.90 crores, which assumes that accumulated stocks will have been worked down by the end of this month.

Opium.

61. The gross receipts from opium are estimated at 59 lakhs below the revised figure for 1925-26 which included a large adventitious receipt under Excise opium owing to the taking over by the Provincial Governments of stocks held at treasuries. The net receipts are estimated to be practically the same as this year, namely, 2.26 crores owing to reductions in expenditure already referred to.

Railways.

62. As the House is aware, the total contribution from Railways to general revenues during 1926-27 is estimated at 6.01 crores. This represents simply the amount of the fixed contribution based on the actual receipts for 1924-25 which was a particularly profitable year. It assumes that the net gain from Railways, after deducting the contribution, will not exceed 3 crores and will accordingly be transferred in full to the railway reserve.

Posts and Telegraphs.

63. The working expenses of the Indian Posts and Telegraphs Department for 1926-27 are estimated at 10.17 crores, or 61 lakhs more than in 1925-26. The growth of working expenses is due in part to the absence of the non-recurrent features which, as already explained,

made the figure of 1925-26 less than the normal, and in part to an increase in expenditure amounting to 10 lakhs due to the decision of the Railway Department to withdraw the concession of free railway passes to postal employees, and to the inclusion of a provision of about 19 lakhs for new measures designed to improve the emoluments and terms of service of the postal and telegraph staff. The concessions in the case of the postal staff involve an addition of 15 lakhs to our expenditure. The gross receipts have not kept pace with the increase in expenditure, and we can expect an improvement of only 41 lakhs, making the total of our gross receipts for 1926-27 10.65 crores as compared with 10.24 crores in 1925-26. The Post Office account alone shows an estimated profit of 20 lakhs, but there is a loss of 20 lakhs on the Telegraphs and of 10 lakhs on the Telephones, owing largely to the fact that the charge for interest is proportionately heavier in the case of the latter services. The upshot is that the estimates of the year point to a loss of approximately 10 lakhs on the working of the department as a whole. I have, however, every confidence that a revival in trade will lead in due course to a considerable addition to our revenue from telegrams which has recently been disappointingly low, and that by next year the department will be completely self-supporting. To complete the picture I must add that owing to a reduction in traffic we expect, in addition, a loss of 6.7 lakhs in 1926-27 on the working of the Indo-European Telegraph Department.

64. The House will observe that in face of these figures it is impossible for us to contemplate any reduction this year in the rates for letters and postcards—a subject on which after an interesting debate in this House a few weeks ago further discussion was adjourned in order that the whole matter might be considered in its proper setting in connection with the budget figures. The wisdom of the course then taken is now apparent. Such a reduction of charges as was then under consideration is clearly impossible unless the taxpayer is to be saddled with the burden of a heavy subsidy in relief of the customers of our postal and telegraph system. I know that a return to pre-war rates is keenly desired in many quarters in the House and in the country ; nor would the Government desire to oppose such a reduction for a moment if they believed that it was within the range of practical politics. I desire, however, to put the question frankly before the House. There is in my view no probability whatever of a return to pre-war rates for letters and postcards except at the cost of a heavy and steadily increasing subsidy from the pocket of the taxpayer. It is desirable that we should face the facts boldly and not deceive ourselves or others by holding out false expectations.

65. The truth is that we are confronted by what I may call a secular change in conditions in India. The very cheap rates of postage to which India had become accustomed before the war were possible only because of the very low level of prices in India as compared with other countries. The last three-quarters of a century have witnessed a steady rise in the average level of prices throughout India—a rise which was the natural and inevitable outcome of the far-reaching changes which were gradually making their effect felt on the conditions of life in India. I may illustrate these changes with reference to figures of index numbers of prices going back to 1860. If we take the figure for the average of the year 1861 for wholesale prices in the United Kingdom and India as 100, the increase in the year 1924 in the case of India is represented by a figure of 251 and in the case of the United Kingdom by a figure of 142. If we go back only as far as 1914 and compare pre-war with present prices, the increase in India is from 100 in 1914 to 163 at the end of December 1925. The corresponding increase in the United States is from 100 to 158, and in the United Kingdom from 100 to 153. In the face of these figures which, whatever doubts we may have as to the absolute accuracy of the calculations on which the index numbers are framed, are at least a reasonable guide to the general trend of events, it is impossible to expect that the Indian Postal Department should be able to carry letters or postcards at the rates prevailing in 1860 or even in 1914. We cannot expect wages and expenses to stay at a level below the average rise in prices generally. Unless therefore the future holds out the prospect of a considerable further fall of prices to at least the 1914 level—a development which would probably be undesirable in the general interests of India's prosperity—we must admit the logical conclusion that the day of the 3 pie postcard and the 6 pie letter is past beyond recall. Much as we may regret this inevitable conclusion, it is better that we should cease to delude ourselves with unreasonable hopes and should set ourselves to secure the maximum efficiency and the greatest possible facilities to the public from the department as things are to-day.

Other Receipts.

66. Our estimates of revenue assume the continuance of the practice of appropriating to revenue the interest on the Paper Currency Reserve and the surplus of the Gold Standard Reserve over £40 million. We may, I think, assume that, whatever changes may be introduced as the result of the recommendations of the Royal Commission on Currency, the profit now obtained by the Government from these Reserves, whatever form they may assume, will not be substantially affected. In regard to other heads of receipt, extraordinary income from enemy ships will no longer accrue to us, and it is necessary to estimate interest receipts on a lower scale than this year.

Surplus.

67. We are now in a position to frame our balance-sheet. The total estimated revenue for 1926-27 amounts to 133.43 crores, and the total estimated expenditure amounts to 130.38 crores. We are left with a surplus of 3.05 crores. I hasten to remind the House that the latter figure includes the sum of 1¾ crores for receipts from the Cotton Excise Duty.

CONCLUSION.

68. To what extent can we regard this surplus as being free for us to dispose of? How far is it a recurring surplus? The House will observe that I have made no reference except in a very incidental way to the Report of the Taxation Enquiry Committee, or to the proceedings of the Royal Commission on Currency. The former's report has only recently come into the hands of members, and though incomplete copies have been available to the Government for a somewhat longer period, we came to the conclusion that the extremely interesting and instructive material which it provides demands more prolonged and more complete examination than was possible in the time at our disposal. I have therefore included in this Budget no suggestions for modification of our taxation system in the light of the Committee's recommendations. Their recommendations will give all the Governments in India and their legislatures ample material for reflection in the course of the coming year. The report is, I think, a most valuable addition to our knowledge of the Indian taxation system and in the compass of one volume we have here a complete survey of all the taxation at present imposed. Important additions to our understanding of the problem of the relation between Central and Provincial taxation are made in many passages in the Report. I take this opportunity to-day of thanking Sir Charles Todhunter and his colleagues for the hard labour which they have devoted to mastering their subject and for the instructive report which they have placed before us. So far as the present Budget is concerned, however, we are justified in assuming that, whatever decisions may be arrived at in the light of the recommendations of the Taxation Enquiry Committee, they will not affect the question of the disposal of the year's surplus.

69. The same assumption must be made in regard to the work of the Royal Commission on Currency. Our estimates assume the continuance of the present credits to revenue of the interest on Currency investments. They also assume an average rate of exchange of 18*d.* for 1926-27. It is impossible to anticipate the conclusions of the Commission and equally impossible, besides being very undesirable, to set aside any portion of the year's revenue as an insurance fund against possible repercussions on our Budget position in future years. Nor have we any present reason for regarding such an insurance as requisite.

70. In regard to other items in the Budget we have to remember that the receipts from Railways in 1926-27 are high; the earnings of the year 1925-26 were not as good as those of the previous year, so that our fixed contribution from Railways in 1927-28 may be less by as much as 79 lakhs than in 1926-27 if the actual figures for Railway receipts for 1925-26 confirm our revised estimate. Our opium revenue is also an uncertain factor. The net revenue fluctuates within rather wide limits and at times may even increase owing to sudden decreases in expenditure following on reductions in the area cultivated and in the price paid, but the progressive elimination and eventual extinction of our opium revenue has to be assumed. There is, however, no reason to think that this loss of income which must necessarily be spread over a period of years cannot be counterbalanced by growth of revenue in other directions. Our Income-tax revenue is exceptionally low at the moment and may certainly be counted upon to give a considerably increased yield in later years. Finally, we look for further economies in our military expenditure which still contains special items of a non-recurrent character.

71. After giving full weight to these various considerations, we have come to the conclusion that there is no undue risk in treating the whole of our surplus as a recurrent one. I have already confided to the House the secret that the Finance Bill includes provision for the final abolition of the Cotton Excise Duty, and the privilege of sharing with the Government in the credit for this historic achievement will belong to the Legislature when the Finance Bill is passed. This leaves us with a divisible surplus available for other purposes amounting to 130 lakhs. The House will I feel sure have no hesitation in agreeing that past expressions of policy and the truest interests of the people of India alike demand that, after using 1¾ crores of the sum at our disposal for the reduction of Central taxation, we should devote as much as we can of the rest to the relief of the Provinces. We accordingly propose to apply 1,25 lakhs to the further reduction of the provincial contributions in accordance with the Devolution Rules. The relief thus afforded will go to the extent of 57 lakhs to Madras, 33 lakhs to the United Provinces, 28 lakhs to the Punjab and 7 lakhs to Burma.

72. The total of the Provincial contributions fixed under the Meston Settlement was 9.83 crores. A year ago we made a permanent reduction of 2½ crores and provided 63 lakhs for the continuance of the temporary remission of Bengal's contribution. With the additional 1¼ crores set aside now, we shall have reduced our reliance on the Provinces by 4.38 crores in all, which is not very far short of half the total. The Provinces whom fortune and the Devolution Rules favour this year are (apart from Bengal) the same as those which obtained the biggest benefit a year ago. But the turn of the other Provinces will come. They are all brought much nearer fruition by the events of the last two years and will no longer feel that the prospect of remission does not interest them. Meanwhile the taxpayers if not the Government of the Province of Bombay in particular and of other Provinces in a lesser degree secure the benefit of the repeal of the Cotton Excise Duty, the relief given in this budget being divided between the Central taxpayer and the Provincial Governments.

73. At an earlier stage in my speech, the approaching end of the life of this Assembly tempted me to compare the figures of India's debt now with those of three years ago. Before closing let me indulge in a further glance backwards and a glimpse into the future. The first Assembly was burdened with the ungrateful task of imposing extra taxation in order to bridge the yawning gap between revenue and expenditure, a task that at one time seemed well nigh hopeless. The Budget of 1924-25 which coincided with the first session of this House signalised our definiteescape from the era of deficits and brought the Salt Tax back from Rs. 2-8 a maund to the present rate of Rs. 1-4. For this reduction, though no doubt it had the assent of the majority, only the minority in this House who voted for the second reading of the Finance Bill can claim to share the credit with the Government and the Council of State, and the Government did not conceal their view that a higher rate, which might have enabled us by now to have achieved the complete extinction of the Provincial contributions, had much to commend it. But, if this House dealt in a step-motherly way with the Budget of 1924-25, it placed to its credit six months later the convention in regard to the separation of railway finance from general finance, a reform which I regard as the greatest financial achievement of the years under review. We have made other advances in our financial machinery during this period, such as the establishment of the Provincial Loans Fund and the formulation of a clear policy of reduction and avoidance of debt, and we have paved the way for other advances, as for instance, the separation of Accounts and Audit, and the reform of the Indian currency system. We have moreover greatly improved the mechanism of the Assembly's financial control. But the new arrangement for dealing with our Railway Budget remains the outstanding feature. It has cleared the path for a continuous programme of railway construction and rehabilitation, and is the direct parent of the proposals for progressive reduction of rates and fares which has now been put in hand, while it has relieved our general finances of an intolerable burden of uncertainty. The Delhi session of 1925 found the Government and the Assembly working together, as you, Sir, will remember, to put the finishing touches to our Debt Redemption plans and to make a substantial beginning of the remission of Provincial contributions. To-day we are continuing last year's work while at the same time celebrating the happy extinction of the notorious (even if sometimes maligned) Cotton Excise Duty.

74. I ask those who profess unending dissatisfaction with the Reforms and denounce them as a sham and the Government as insincere and unresponsive, does the financial story of these three short years justify depression or despondency ? In that brief space we have

immensely improved our financial machinery and have progressed nearly half-way on the road to extinction of the Provincial contributions, and we have reduced the Salt Tax and abolished the Cotton Excise Duty. For five years the Reformed Legislatures have been at work in India. It is true that weather conditions have on the whole favoured us and that the level of taxation is still high in comparison with 1914, though not in comparison with other countries. But to me it seems undeniable that the association of chosen representatives of the people of India with the Executive Government and their constant interaction the one upon the other in the Assembly and the Council of State have enabled India to win through the inevitable discomforts of the period following the war with a measure of success that makes her financial position the envy of other nations and could scarcely have been possible without the Reformed Constitution. The members of this House appear to me sometimes to fix their attention so earnestly on what are called political questions as to overlook the steady advance towards the goal of constitutional self-government which is being registered day by day in administration and in finance. Mr. Coates, the present Prime Minister of New Zealand, made a confession of faith in a speech delivered last May soon after he succeeded to the Premiership, which deserves, I think, the careful consideration of those who are working for India's future. "It may seem," he said, "that I have unduly stressed the financial and administrative aspect of Government. My six years of Ministerial service, however, have convinced me that intensive application of the principles of sound finance to every function of Government is ever essential in the public interest. It is from that solid foundation created that we can build the structure of our public services and enable the development of our country to proceed. . . . . Only by judicious care and foresight in setting our financial foundations is it possible to devote the necessary attention to all our citizens."

75. The Government of India and this Assembly have not always seen eye to eye on financial questions, but the record shows that we have worked together, not without reward, to establish a foundation of financial stability far more firmly based than when we began. We leave to the next Assembly the task of building on those foundations with the firm assurance that, though all the difficulties are not surmounted and though new anxieties may arise, they will not have to complain of our work of preparation and will find their financial heritage a source of strength in advancing to the solution of the political and constitutional tasks which await them.

BASIL P. BLACKETT.

The 1st March, 1926.

Statement comparing the actual Revenue and Expenditure of the Central Government (Imperial Revenue and Expenditure before the Reforms) with the Revised Estimates for each year from 1915-16 *to* 1924-25.

(*See* paragraph 3 of speech.)

[In thousands of Rupees.]

—	Revised Estimate.			Actuals.		
	Revenue.	Expenditure.	Surplus (+) Deficit (—).	Revenue.	Expenditure.	Surplus (+) Deficit (—).
1915-16	78,89,08	81,58,21	—2,69,13	80,00,96	81,79,26	—1,78,30
1916-17	97,25,67	88,27,37	+8,98,30	98,53,10	87,31,37	+11,21,73
1917-18	1,14,84,48	1,06,27,74	+8,56,74	1,18,70,58	1,06,57,52	+12,13,06
1918-19	1,27,94,65	1,34,79,88	—6,85,23	1,30,40,66	1,36,13,72	—5,73,06
1919-20	1,44,07,56	1,59,18,67	—15,11,11	1,37,13,98	1,60,79,27	—23,65,29
1920-21	1,35,10,35	1,48,03,61	—12,93,26	1,35,63,32	1,61,64,17	—26,00,85
1921-22	1,13,15,32	1,41,94,52	—28,79,20	1,15,21,50	1,42,86,52	—27,65,02
1922-23	1,20,70,17	1,37,95,52	—17,25,35	1,21,41,29	1,36,43,05	—15,01,76
1923-24	1,31,96,04	1,29,89,97	+2,06,07	1,33,16,63	1,30,77,63	+2,39,00
1924-25	1,34,82,26	1,30,82,68	+3,99,58	1,38,03,92	1,32,35,66	+5,68,26

Report for the year 1925.

Section V.

DOCUMENTS AND STATISTICS.

STATISTICS.

STATEMENT of Imports of Piece-Goods of British Manufacture (Grey, Bleached, Coloured and Printed) and of Yarns (Grey and Dyed) from Great Britain into Bombay, Calcutta and Madras, from the years 1857 to 1925, both inclusive.

Year.	Piece-Goods.			Yarns.		
	Bombay.	Calcutta.	Madras.	Bombay.	Calcutta.	Madras.
	Yards.	Yards.	Yards.	Lbs.	Lbs.	Lbs.
1857	137,761,636	235,190,273	9,375,347	2,838,644	10,691,863	2,370,741
1858	281,836,364	416,362,074	15,431,647	8,744,517	18,369,490	4,036,325
1859	307,086,509	520,899,016	20,425,632	12,899,875	20,043,485	5,741,441
1860	267,443,986	403,351,123	20,648,072	4,571,134	16,641,847	5,656,930
1861	272,573,717	418,671,687	14,628,188	5,578,828	13,933,256	3,694,985
1862	178,803,604	295,508,637	9,748,215	4,811,384	9,594,896	1,675,239
1863	232,321,038	234,645,916	16,352,677	5,592,995	10,394,931	3,702,562
1864	189,812,984	223,036,538	14,787,062	4,268,662	8,742,699	3,447,635
1865	175,486,677	319,047,954	17,291,103	4,073,811	6,981,809	2,232,948
1866	243,476,368	351,572,331	22,081,805	6,877,968	10,795,517	4,629,986
1867	316,784,109	528,434,956	23,258,498	6,568,619	13,006,019	4,684,638
1868	555,337,050	619,101,683	31,793,397	7,780,033	13,236,453	6,873,398
1869	296,158,439	518,741,346	29,683,469	7,981,949	11,858,210	7,773,636
1870	272,898,226	687,639,911	45,750,099	9,946,299	16,816,936	6,649,598
1871	305,416,233	684,926,367	47,560,133	6,097,531	12,041,848	8,876,841
1872	262,849,273	657,123,291	48,177,871	6,163,813	11,490,636	8,616,040
1873	349,631,830	664,987,114	57,666,809	8,667,090	11,192,248	8,918,841
1874	292,843,697	765,762,164	49,878,834	8,867,978	14,041,520	10,510,639
1875	305,917,934	744,439,224	44,683,288	6,863,763	12,945,102	10,104,020
1876	356,940,508	733,913,330	54,875,423	8,246,211	12,090,167	9,664,609
1877	354,779,192	885,688,850	39,106,318	10,624,710	14,364,841	8,683,595
1878	344,068,807	749,233,431	47,038,579	7,754,005	13,967,396	8,373,916
1879	343,811,233	788,759,250	61,375,691	7,469,113	10,580,436	9,581,363
1880	531,050,559	1,007,531,497	77,010,037	13,024,923	16,446,089	12,108,002
1881	544,890,697	947,329,460	82,451,852	12,326,706	13,597,371	11,099,762
1882	500,248,293	883,611,784	106,615,818	12,019,123	14,780,667	13,069,871
1883	572,738,196	878,949,353	107,868,579	16,220,463	13,478,764	11,033,824
1884	568,220,318	908,294,475	120,841,003	14,299,380	15,313,840	13,114,875
885	547,773,459	911,987,148	93,757,204	14,132,372	13,473,067	99,597,197
886	700,061,881	1,159,407,968	143,318,736	17,087,709	14,177,149	13,937,810
1887	585,502,258	988,370,500	117,502,619	14,990,151	14,040,137	13,432,638
1888	652,344,548	1,045,951,384	138,271,060	16,595,176	14,778,545	14,570,258
1889	634,608,171	1,031,000,980	144,140,943	13,011,348	11,836,681	13,393,848
1890	665,550,786	1,037,911,379	115,224,797	15,805,515	12,455,601	13,284,690
1891	572,065,309	961,686,226	108,083,576	15,526,869	12,484,617	14,666,189
1892	548,944,867	1,013,742,658	93,892,712	12,427,053	10,108,327	10,390,439
1893	604,439,138	1,009,441,511	106,086,291	10,466,233	13,124,097	11,387,889
1894	719,324,449	1,161,138,343	140,749,235	11,723,808	10,529,734	12,547,763
1895	484,780,087	925,203,136	99,427,366	10,857,586	10,689,066	10,188,466
1896	574,410,316	1,163,967,702	86,265,292	11,649,977	13,403,663	15,402,931
1897	472,597,133	932,328,974	121,396,515	11,788,246	13,299,211	13,650,022
1898	557,597,951	1,202,254,978	91,950,978	10,238,969	11,412,068	11,673,878
1899	611,556,220	1,266,926,546	93,492,746	10,441,484	10,729,842	11,532,812
1900	461,938,302	1,086,463,274	120,383,837	5,892,081	9,435,371	9,496,085
1901	629,976,200	1,127,753,500	129,392,500	7,911,750	11,050,890	9,564,200
1902	475,541,800	1,176,051,500	119,878,000	6,299,820	7,411,640	9,438,560
1903	520,373,400	1,119,542,300	129,898,800	5,300,460	6,442,050	6,699,580
1904	593,591,100	1,193,265,900	145,618,800	6,221,400	6,613,460	8,056,710
1905	637,039,600	1,292,516,900	119,829,700	11,368,420	11,443,550	10,175,810
1906	611,705,100	1,189,552,900	142,636,200	10,548,720	10,300,210	10,260,270
1907	646,598,400	1,298,662,500	131,107,800	10,419,750	9,921,670	7,601,280
1908	470,956,400	1,005,027,600	200,636,400	10,894,540	9,019,320	10,432,380
1909	481,389,100	1,180,586,000	108,497,400	16,251,580	8,448,010	6,169,190
1910	624,859,600	1,129,898,600	109,976,800	8,410,140	6,384,450	6,891,410
1911	622,516,400	1,226,065,400	138,414,300	12,842,440	9,179,460	8,364,340
1912	658,026,700	1,451,819,200	173,698,700	13,298,110	11,913,170	10,745,130
1913	804,333,100	1,547,872,400	210,797,700	13,628,700	7,519,860	9,497,740
1914	617,498,700	1,378,930,300	160,552,000	13,538,110	9,985,330	8,280,700
1915	354,966,900	1,052,246,400	106,332,200	15,423,650	8,974,950	10,801,200
1916	481,857,500	1,035,437,900	88,153,700	8,931,510	5,922,490	7,583,020
1917	851,853,300	898,872,200	78,886,500	5,185,900	5,646,600	6,295,900
1918	429,754,300	449,044,800	33,046,000	2,054,500	2,211,400	3,490,800
1919	275,575,100	423,299,200	37,684,300	3,217,300	2,401,100	3,201,100
1920	569,054,700	656,277,100	69,872,000	10,850,000	5,096,900	6,011,600
1921	265,737,000	744,049,100	50,486,100	18,383,900	7,573,200	7,257,800
1922	410,565,000	854,974,300	77,837,700	21,204,800	7,284,200	7,471,600
1923	476,873,200	797,622,700	89,096,800	9,024,500	5,154,800	5,978,300
1924	553,405,800	938,652,800	91,324,300	9,281,600	4,280,600	5,613,800
1925	524,511,000	767,333,700	72,441,200	6,245,000	4,181,900	4,457,100

IMPORTS INTO BOMBAY OF PIECE-GOODS AND YARNS, &c., FROM EUROPE, AMERICA, JAPAN AND ELSEWHERE DURING THE YEARS 1916 TO 1925.

Description of Goods.	From 1st Jan. to 31st Dec. 1916.	From 1st Jan. to 31st Dec. 1917.	From 1st Jan. to 31st Dec. 1918.	From 1st Jan. to 31st Dec. 1919.	From 1st Jan. to 31st Dec. 1920.	From 1st Jan. to 31st Dec. 1921.	From 1st Jan. to 31st Dec. 1922.	From 1st Jan. to 31st Dec. 1923.	From 1st Jan. to 31st Dec. 1924.	From 1st Jan. to 31st Dec. 1925.
GREY GOODS.										
36 in. & under × 37/9 yds. Shirtings all weights	Pcs. 1,58,976	Pcs. 76,891	Pcs. 38,548	Pcs. 1,34,477	Pcs. 5,35,201	Pcs. 2,24,640	Pcs. 3,14,176	Pcs. 3,46,210	Pcs. 4,22,058	Pcs. 2,68,496
37/9 " do. do. 5½ lbs. & under	" 560	" 301	" 720	" 8,070	" 5,282	" 3,000	" 9,166	" 7,493	" 9,001	" 30,269
" " do. do. 6½ lbs. do.	" 3,004	" 10,082	" 8,971	" 33,180	" 42,361	" 69,300	" 32,405	" 20,308	" 10,087	" 68,257
" " do. do. 7 lbs. do.	" 29,612	" 18,736	" 24,844	" 27,183	" 32,162	" 44,350	" 40,121	" 20,635	" 23,735	" 81,214
" " do. do. 7½ lbs. do.	" 5,090	" 9,082	" 6,007	" 46,635	" 42,703	" 60,459	" 49,508	" 23,026	" 23,948	" 85,326
" " do. do. 8½ lbs. do.	" 1,38,901	" 20,693	" 20,646	" 1,10,215	" 95,401	" 87,649	" 1,17,557	" 53,757	" 49,850	" 1,05,648
" " do. do. 9 lbs. do.	" 31,900	" 6,680	" 8,745	" 65,271	" 1,26,227	" 56,055	" 55,629	" 27,530	" 39,539	" 75,753
" " do. do. above 9 lbs.	" 59,362	" 39,002	" 32,972	" 86,364	" 1,34,627	" 72,788	" 56,043	" 49,415	" 53,534	" 1,08,652
40/5 " do. do. 6 lbs. & under	" 46,117	" 18,944	" 2,590	" 23,353	" 6,991	" 1,700	" 26,925	" 16,450	" 31,785	" 72,443
" " do. do. 7 lbs. do	" 14,629	" 10,030	" 6,309	" 35,202	" 18,347	" 42,398	" 84,817	" 47,673	" 73,815	" 92,947
" " do. do. 8 lbs. do.	" 15,550	" 30,157	" 19,831	" 1,31,125	" 53,063	" 87,447	" 1,52,181	" 80,902	" 95,344	" 1,40,571
" " do. do. 9 lbs. do.	" 66,170	" 39,172	" 38,532	" 1,75,945	" 93,144	" 91,911	" 1,56,902	" 77,974	" 1,21,309	" 1,25,561
" " do. do. above 9 lbs.	" 1,34,094	" 24,224	" 32,476	" 2,21,312	" 2,47,940	" 1,16,417	" 2,35,309	" 1,77,358	" 2,09,270	" 3,16,880
46/9 " do. do. all weights	" 56,694	" 16,492	" 6,619	" 22,289	" 65,306	" 37,513	" 1,01,704	" 31,218	" 48,273	" 46,378
50/52 " do. do. do.	" 31,777	" 15,276	" 9,489	" 11,581	" 40,269	" 19,291	" 65,540	" 34,037	" 54,299	" 76,148
53/60 " do. do. do.	" 15,482	" 6,156	" 7,471	" 7,030	" 7,447	....	" 3,329	" 4,834	" 4,739	" 5,158
All widths × 28/24 yds. T. Cloths 4 lbs. & under	....	....	" 80	" 60	" 2	....	....	" 63	" 2,519	" 2,822
" do. do. 5 lbs. do.	....	....	" 8	....	" 1	....	" 1,530	" 1,870	....	....
" do. do. 6 lbs. do.	" 11	....	" 130	" 1,800	" 18,544	....	" 200	" 12	....	....
" do. do. 7 lbs. do.	....	" 213	" 211	" 1,250	" 19,600	....	" 1,498	" 1,161	....	....
" do. do. above 7 lbs. do.	....	" 500	" 342	" 1,660	" 38,002	....	" 1,950	" 120	....	....
29 in. & under × 22/24 yds. Madapollams 2½ lbs. & under	" 33,611	" 11,321	" 15,111	" 2,497	" 7,031	" 5,796	" 14,912	" 757	" 10,052	" 4,558
" do. do. 2¾ lbs. & over.	....	" 2,508	" 2,559	" 3,532	" 2,555	" 1,007	....	....	....	....
30/32 in. do. do. 2½ lbs. & under	....	" 207	....	" 1,494	" 9,169	" 2,259	....	....	....	....
" do. do. 2¾ lbs. & over	" 12,671	" 1,250	....	" 60	" 2,499	" 2,250	....	....	....	....
38/42 in. do. do. 3 to 4½ lbs.	" 1,230	" 4,200	" 4,760	....	....	....	....	....	....	....
43 in. & over do. do. 4½ to 6½ lbs.	" 30,104	" 10,111	" 3,499	" 1,466	" 16,978	" 5,104	....	....	....	....
18/24 in. × 28/30 yds.* Printers 2 to 3 lbs.	....	....	....	....	....	....	....	....	....	....
Above 24 in. × do. do. above 3 lbs.	....	....	....	....	....	" 1,902	....	....	....	....
34 to 45 in. × 18/20 yds. Jacconets, all weights	" 91,223	" 2,11,493	" 2,28,457	" 1,76,006	" 1,14,377	" 1,90,367	" 1,47,708	" 1,33,849	" 1,75,571	" 1,22,279
44 in. × 22 yds. do. do.	" 4,21,354	" 4,95,801	" 4,37,781	" 2,45,335	" 2,46,312	" 3,26,182	" 7,07,063	" 4,30,319	" 5,06,263	" 2,95,058
Above 44 in. × 22 yds. do. do.	" 89,410	" 64,828	" 71,624	" 59,872	" 55,878	" 46,666	" 1,15,115	" 18,243	" 33,954	" 1,04,101
36/9 in. × 18 to 22 yds. Mulls do.	" 2,01,738	" 1,38,178	" 81,510	" 80,395	" 1,07,869	" 1,11,850	" 1,34,744	" 48,963	" 64,567	" 87,047
40/42 in. × 19/20 yds. do. do.	" 18,172	" 14,488	" 25,182	" 12,106	" 7,974	" 14,718	" 8,854	" 5,902	" 13,330	" 13,118
Above 43 in. × 19/20 yds. do. do.	" 50,715	" 57,608	" 1,62,585	" 93,401	" 31,363	" 1,93,772	" 1,30,361	" 1,37,062	" 1,92,504	" 2,22,707
Twills and Drills	" 2,15,822	" 55,820	....	" 1,52,915	" 3,06,006	" 1,98,343	" 1,09,162	2,13,402	" 2,64,412	" 2,71,404
Total for 12 Months	Pcs. 19,73,979	Pcs. 14,10,444	Pcs. 12,98,609	Pcs. 19,73,081	Pcs. 25,37,766	Pcs. 21,15,134	Pcs. 28,90,939	Pcs. 20,14,093	Pcs. 23,36,748	Pcs. 28,22,785

* Printers of 60 yds. are entered in the equivalent of 30-yds. a piece, and similarly with T.-Cloths of 48, 72 and 96 yards into 24 yards a piece.

Description of Goods.	From 1st Jan. to 31st Dec. 1916.	From 1st Jan. to 31st Dec. 1917.	From 1st Jan. to 31st Dec. 1918.	From 1st Jan. to 31st Dec. 1919.	From 1st Jan. to 31st Dec. 1920.	From 1st Jan. to 31st Dec. 1921.	From 1st Jan. to 31st Dec. 1922.	From 1st Jan. to 31st Dec. 1923.	From 1st Jan. to 31st Dec. 1924.	From 1st Jan. to 31st Dec. 1925.
WHITE GOODS.										
25/36 in. × 39/42 yds. Shirtings and Longcloths	Pcs. 8,78,850	Pcs. 8,31,953	Pcs. 3,95,555	Pcs. 3,51,186	Pcs. 7,31,207	Pcs. 2,47,268	Pcs. 2,53,813	Pcs. 4,18,410	Pcs. 5,30,278	Pcs. 6,06,159
18/40 in. × 18/20 yds. Jacconets	" 1,54,292	" 67,864	" 37,396	" 55,787	" 1,76,809	" 17,027	" 47,271	" 69,816	" 42,353	" 93,960
26/39 in. × " Mulls and Nainsooks	" 23,19,782	" 22,78,066	" 9,54,072	" 5,81,664	" 18,54,827	" 8,30,125	" 7,12,565	" 11,17,653	" 13,08,035	" 11,41,810
40/45 in. × " do. do.	" 4,87,266	" 4,18,296	" 4,14,425	" 2,90,008	" 2,75,932	" 1,61,264	" 3,26,661	" 2,67,650	" 4,20,306	" 3,52,930
46 in. and upwards do. do.	" 11,85,766	" 7,74,422	" 10,31,893	" 9,56,073	" 9,69,292	" 5,61,933	" 11,74,130	" 10,83,137	" 10,49,643	" 11,51,469
32 to 42 in. × 12 to 18 yds. Cambrics	" 20,339	" 10,573	" 13,857	" 24,040	" 18,958	" 284	" 9,775	" 15,215	" 16,297	" 15,694
Twills and Drills	" 1,33,166	" 64,355	" 19,618	" 35,198	" 1,53,112	" 26,360	" 18,416	" 64,827	" 96,247	" 1,38,166
Total for 12 months ..	Pcs. 51,79,461	Pcs. 44,45,529	Pcs. 28,66,816	Pcs. 22,93,956	Pcs. 41,80,137	Pcs. 18,44,261	Pcs. 25,42,631	Pcs. 30,36,708	Pcs. 34,63,159	Pcs. 35,00,178
TURKEY RED AND SCARLET GOODS.										
All widths and lengths, Cambrics	Pcs. 57,992	Pcs. 1,13,201	Pcs. 90,197	Pcs. 5,384	Pcs. 76,050	Pcs. 30,575	Pcs. 71,514	Pcs. 1,47,477	Pcs. 85,430	Pcs. 66,934
Do. do. Shirtings	" 1,61,221	" 2,45,209	" 1,13,758	" 58,533	" 1,67,563	" 59,332	" 1,86,306	" 1,87,461	" 1,55,712	" 1,68,145
Red T. cloth 27 to 28 in. X 24 to 25 yds.	....	....	....	....	....	....	....	....	" 22,468	" 14,860
30 in. and over X 19/20 yds. Mulls	" 8,245	" 6,478	" 8,932	" 2,872	" 3,162	....	" 1,668	" 13,805	" 4,172	" 5,163
Do. do. Jacconets	"	" 2,861	" 5,135	" 1,889	" 3,600	" 2,386	" 16,033	" 9,541	" 6,858	" 1,699
All widths and lengths, Twills and Dimities	" 8,390	" 14,122	" 4,921	" 4,302	" 12,023	" 8,036	" 9,371	" 4,605	" 5,988	" 9,890
All widths and lengths, Prints and Chintz	" 1,97,708	" 3,21,744	" 2,85,452	" 1,25,079	" 1,69,452	" 53,149	" 1,14,918	" 1,60,930	" 1,42,350	" 89,609
30 in. and over X 20 yds. Printed Jacconets	" 1,88,382	" 2,24,555	" 1,45,172	" 86,270	" 1,14,386	" 22,884	" 22,289	" 38,997	" 58,596	" 61,314
Scarfs and Sarjes	" 3,14,326	" 3,91,547	" 4,02,521	" 2,32,383	" 8,96,507	" 3,05,424	" 3,35,651	" 4,39,877	" 5,90,213	" 4,62,379
Handkerchiefs.	" 4,85,191	" 3,12,516	" 2,32,510	" 92,114	" 3,87,313	" 88,701	" 77,590	" 76,799	" 1,64,782	" 84,625
Total for 12 months. ..	Pcs. 14,21,455	Pcs. 16,32,233	Pcs. 12,88,598	Pcs. 6,08,826	Pcs. 18,30,056	Pcs. 5,70,487	Pcs. 8,64,339	Pcs. 10,79,492	Pcs. 12,36,569	Pcs. 9,64,648
WOOLLENS.										
Army Cloth	Yds. 84,329	Yds. 82,504	Yds. 23,754	Yds. 16,747	Yds. 40,880	Yds. 5,299	Yds. 11,491	Yds. 21,071	Yds. 36,325	Yds. 41,588
Spanish Stripes and Ladies' Cloth	"	" 5,629	"	....	" 6,711	" 276	....	....	" 1,489	" 280
Flannels	" 21,75,520	" 40,18,724	" 16,77,673	" 7,94,548	" 18,94,653	" 3,46,836	" 3,73,157	" 8,54,461	" 17,73,606	" 11,31,436
Broad Cloth	" 25,196	" 31,835	" 16,088	" 19,424	" 66,958	" 17,741	" 11,404	" 17,678	" 53,257	" 54,351
Alpaca, Merino, Italian, &c.	" 5,62,178	" 4,42,091	" 2,88,430	" 3,86,749	" 9,60,144	" 3,44,507	" 1,13,534	" 4,19,650	" 6,60,271	" 2,85,503
Union Cloth	" 12,508	" 9,257	" 3,393	" 17,572	" 64,690	" 4,917	" 4,072	" 26,808	" 28,486	" 29,203
Cashmere and Coatings	" 6,35,440	" 7,44,812	" 7,05,826	" 5,79,033	" 18,38,837	" 5,48,209	" 2,13,495	" 5,55,909	" 13,61,461	" 10,92,714
All other Sorts	" 7,72,338	" 10,91,732	" 6,42,119	" 3,32,571	" 14,08,539	" 3,75,904	" 3,41,209	" 7,53,225	" 20,71,287	" 20,83,828
Total for 12 months. ..	Yds. 42,67,509	Yds. 64,26,584	Yds. 33,57,283	Yds. 21,46,644	Yds. 62,81,412	Yds. 16,43,689	Yds. 10,98,353	Yds. 26,44,090	Yds. 59,86,182	Yds. 47,18,303

IMPORTS INTO BOMBAY OF PIECE-GOODS AND YARNS, &c., FROM EUROPE, AMERICA, JAPAN AND ELSEWHERE DURING THE YEARS 1916 TO 1925.—(*contd.*)

Description of Goods.	From 1st Jan. to 31st Dec. 1916.	From 1st Jan. to 31st Dec. 1917.	From 1st Jan. to 31st Dec. 1918.	From 1st Jan. to 31st Dec. 1919.	From 1st Jan. to 31st Dec. 1920.	From 1st Jan. to 31st Dec. 1921.	From 1st Jan. to 31st Dec. 1922.	From 1st Jan. to 31st Dec. 1923.	From 1st Jan. to 31st Dec. 1924.	From 1st Jan. to 31st Dec. 1925.
FANCY GOODS.										
Dyed Shirtings and Umbrella Cloth	Pcs. 2,21,321	Pcs. 1,21,212	Pcs. 64,793	Pcs. 32,891	Pcs. 1,15,285	Pcs. 1,15,797	Pcs. 1,25,618	Pcs. 1,20,666	Pcs. 1,71,179	Pcs. 2,24,602
„ Madapollams and Cambrics	„ 97,160	„ 26,867	„ 6,982	„ 2,519	„ 5,049	„ 11,357	„ 41,988	„ 32,288	„ 17,856	„ 15,199
„ Jacconets	....	....	....	....	....	....	....	250	„ 257	„ 12
Prints and Chintz, all Widths and Lengths	„ 16,57,625	„ 15,99,604	„ 10,29,953	„ 4,42,944	„ 18,81,245	„ 5,19,687	„ 5,80,597	„ 11,84,244	„ 11,89,051	„ 12,59,000
Printed Muslins and Jacconets, all Widths and Lengths	„ 3,46,885	„ 3,73,445	„ 1,91,629	„ 2,11,586	„ 4,47,427	„ 1,33,124	„ 2,29,327	„ 2,48,005	„ 3,51,245	„ 3,01,024
Lappets, White	„ 1,01,175	„ 80,015	„ 30,336	„ 28,244	„ 71,701	„ 12,116	„ 35,243	„ 40,927	„ 47,830	„ 36,897
„ Coloured	„ 18,379	„ 5,021	„ 2,000	„ 2,891	„ 9,180	....	„ 795	„ 2,247	„ 1,744	„ 4,103
Lappet and Lace Scarfs	„ 9,431	„ 7,290	„ 1,970	„ 4,182	„ 9,288	„ 2,744	„ 8,095	„ 2,166	„ 1,944	„ 6,074
Dhoties, Grey	„ 10,45,243	„ 7,06,845	„ 7,54,954	„ 8,57,506	„ 7,16,192	„ 2,30,719	„ 7,17,066	„ 9,00,341	„ 8,85,686	„ 10,66,117
„ Bleached	„ 10,76,404	„ 10,75,806	„ 7,87,009	„ 12,81,239	„ 6,84,248	„ 2,69,158	„ 7,47,587	„ 7,79,111	„ 9,73,886	„ 13,55,766
Scarfs and Sarries, Grey	„ 27,645	„ 24,613	„ 3,523	„ 5,335	„ 17,453	....	„ 16,567	„ 31,099	„ 57,061	„ 17,487
„ „ Bleached	„ 1,03,680	„ 86,185	„ 43,265	„ 15,822	„ 53,018	„ 7,660	„ 25,220	„ 18,898	„ 22,685	„ 47,816
„ „ Coloured and Printed	„ 12,99,904	„ 9,67,855	„ 5,33,114	„ 2,33,089	„ 10,52,469	„ 3,69,985	„ 3,24,917	„ 8,54,779	„ 10,00,403	„ 11,60,694
Book Muslins and Lawns	„ 5,23,649	„ 2,92,102	„ 1,86,652	„ 2,85,120	„ 2,83,525	„ 63,479	„ 1,41,157	„ 1,76,066	„ 83,847	„ 1,00,652
Gauze, Plain, Figured, Striped and Checked	„ 1,90,035	„ 3,66,173	„ 2,32,681	„ 13,910	„ 34,520	„ 19,996	„ 70,533	„ 53,601	„ 79,651	„ 91,934
Doria and Mull Stripes	„ 4,30,496	„ 2,66,010	„ 89,912	„ 88,416	„ 3,14,485	„ 30,562	„ 70,787	„ 1,64,455	„ 1,15,812	„ 1,13,141
Cotton and Linen Ticks	„ 2,403	„ 536	„ 834	„ 270	„ 3,084	„ 864	„ 323	„ 1,070	„ 295	„ 1,596
Twills & Drills, and Denims, Cold.	„ 2,08,029	„ 1,52,978	„ 86,363	„ 53,731	„ 1,41,318	„ 63,812	„ 67,474	„ 81,994	„ 1,10,471	„ 1,49,201
Imitation Linen Dhoties and Sarries.	„ 23,224	„ 12,144	„ 11,182	„ 3,140	„ 8,783	„ 1,176	„ 16,478	„ 7,167	„ 5,978	„ 13,299
Embd. Muslins, Jacconets and Scarfs (White)	„ 1,39,459	„ 55,293	„ 2,456	„ 24,798	„ 1,97,901	„ 8,632	„ 24,136	„ 1,02,674	„ 1,97,038	„ 1,63,448
Nainsooks, Coloured, 12 yds.	„ 446	„ 12	....	....	1,952	....	....	„	....	....
Trouserings and Washing Checks.	„ 48,029	„ 44,675	„ 15,362	„ 13,480	„ 84,877	„ 29,773	„ 9,981	„ 30,412	„ 75,040	„ 64,409
Mercd. Tussore Suitings	„ 1,59,441	„ 1,40,745	„ 19,464	„ 14,223	„ 1,72,681	„ 25,794	„ 5,235	„ 27,667	„ 51,954	„ 55,788
Harwards, Oxfords and Zephyrs	„ 1,32,136	„ 68,584	„ 18,262	„ 28,836	„ 2,44,175	„ 25,996	„ 26,223	„ 69,243	„ 1,02,465	„ 64,702
Satin	„ 60,610	„ 52,927	„ 29,415	„ 14,301	„ 1,18,789	„ 24,834	„ 32,712	„ 1,36,118	„ 2,81,767	„ 1,38,604
Coatings and Tweeds and Cotton and Art Silk Voile and Crepe ..	„ 1,82,294	„ 1,74,332	„ 96,649	„ 98,987	„ 2,68,139	„ 58,268	„ 60,215	„ 1,54,734	„ 2,14,202	„ 2,60,033
Italians and Poplins..	„ 1,22,528	„ 1,05,847	„ 34,307	„ 49,595	„ 1,43,810	„ 31,463	„ 16,583	„ 49,226	„ 78,584	„ 1,05,055
Dimities, Brocades and Brilliants	„ 1,87,423	„ 1,09,573	„ 45,885	„ 40,791	„ 1,12,421	„ 40,434	„ 41,827	„ 1,53,411	„ 1,49,139	„ 1,19,264
Velvets, Cotton	„ 19,809	„ 20,231	„ 17,489	„ 12,820	„ 25,512	„ 13,301	„ 10,727	„ 18,744	„ 23,233	„ 18,810
Grenadines, Cotton (Silk Flowered)	„ 49,595	„ 29,726	„ 4,702	„ 12,278	„ 30,830	„ 12,425	18,611	„ 31,787	„ 24,291	„ 16,642
Cotton and Artificial Silk Piece-goods.	*	„ †8,085	„ 2,854	„ 29,228	„ 89,494	„ 12,885	„ 10,317	„ 72,301	„ 1,44,446	„ 1,22,779
Total for 12 months. ..	Pcs. 84,84,458	Pcs. 69,74,731	Pcs. 43,43,997	Pcs. 39,02,167	Pcs. 73,38,851	Pcs. 21,36,041	Pcs. 34,76,369	Pcs. 55,45,241	Pcs. 64,67,040	Pcs. 70,94,148
Flannels, Cotton Total for 12 months.	yds. 14,11,137	yds. 19,67,545	yds. 4,52,210	yds. 1,46,095	yds. 24,04,798	yds. 1,31,197	yds. 1,10,472	yds. 6,43,002	yds. 15,01,995	yds. 18,90,468
Nets Do.	„ 19,05,481	„ 22,45,886	„ 11,24,625	„ 8,49,316	„ 4,81,075	„ 1,39,050	„ 4,79,384	„ 8,54,376	„ 14,25,394	„ 88,18,063
Handkerchiefs, White Do.	doz. 3,74,761	doz. 1,07,542	doz. 1,30,396	doz. 1,94,330	doz. 1,42,813	doz. 22,654	doz. 69,060	doz. 1,37,037	doz. 70,283	doz. 1,05,292
„ Printed Do.	„ 2,51,744	„ 1,22,750	„ 90,759	„ 84,930	„ 2,84,257	„ 80,943	„ 3,278	„ 33,994	„ 48,211	„ 1,12,530
Blankets, Cotton Do.	Pcs. 1,07,795	Pcs. 48,380	Pcs. 16,311	Pcs. 60,023	Pcs. 2,30,369	Pcs. 2,48,566	Pcs. 66,615	Pcs. 1,28,288	Pcs. 1,56,330	Pcs. 1,56,330
Grey Sheetings	....	....	....	„ 8,68,865	„ 8,13,404	„ 4,92,779	„ 1,56,602	„ 2,19,835	„ 3,47,805	„ 2,47,342

* Not recorded. † From 1st May.

Description of Goods.	From 1st Jan. to 31st Dec. 1916.	From 1st Jan. to 31st Dec. 1917.	From 1st Jan. to 31st Dec. 1918.	From 1st Jan. to 31st Dec. 1919.	From 1st Jan. to 31st Dec. 1920.	From 1st Jan. to 31st Dec. 1921.	From 1st Jan. to 31st Dec. 1922.	From 1st Jan. to 31st Dec. 1923.	From 1st Jan. to 31st Dec. 1924.	From 1st Jan. to 31st Dec. 1925.
YARNS.										
Grey Mule and Medio, 10/24's say 20's	lbs. 600	lbs. 4,383	lbs. 150	lbs. 13,55,708	lbs. 43,11,110	lbs. 40,27,920	lbs. 78,72,287	lbs. 53,41,310	lbs. 31,16,566	lbs. 17,49,308
" " 26/32's " 30's	" 1,31,582	" 48,915	" 54,081	" 12,71,658	" 34,56,623	" 45,44,712	" 95,61,516	" 42,17,294	" 38,60,429	" 46,99,605
" " 34/42's " 40's	" 14,39,944	" 403,315	" 2,83,134	" 14,09,586	" 61,61,363	" 79,16,633	" 94,83,063	" 85,73,347	" 93,47,491	" 1,08,58,303
" " 44/52's " 50's	" 8,42,809	" 2,23,576	" 1,45,787	" 7,45,132	" 8,31,992	" 14,70,532	" 14,74,480	" 11,86,267	" 11,75,666	" 6,10,082
" " 54/60's " 60's	" 3,01,245	" 1,50,490	" 96,561	" 6,27,481	" 13,76,410	" 8,02,542	" 9,62,002	" 5,53,938	" 8,56,855	" 13,87,080
" " above 60's	" 6,38,764	" 3,12,383	" 2,11,050	" 5,66,396	" 7,43,963	" 12,58,864	" 13,06,339	" 11,59,084	" 12,85,757	" 8,29,200
Grey Water and Mock, 16/24's say 20's	" 287	" 3,000	....	....	" 6,014	....	" 3,853	....	....	....
" " 26/32's " 30's	" 9,23,844	" 5,67,300	" 65,700	" 1,69,800	" 7,95,100	" 12,88,650	" 14,47,400	" 1,54,200	" 1,41,950	" 65,100
" " 40's "	" 3,11,173	" 1,10,400	" 16,500	" 73,800	" 2,14,900	" 3,40,050	" 5,37,700	" 1,78,500	" 93,500	" 7,500
" " above 40's "	" 32,405	....	" 2,000	" 2,000	" 3,600	" 50,959	" 20,419	" 12,100	....	....
Total for 12 months, Grey Yarns ..	lbs. 46,27,658	lbs. 18,23,762	lbs. 8,74,913	lbs. 62,21,561	lbs. 1,79,01,075	lbs. 2,17,00,862	lbs. 3,26,69,059	lbs. 2,13,76,040	lbs. 1,98,78,214	lbs. 2,02,06,178
Bleached	lbs. 10,25,457	lbs. 4,48,131	lbs. 3,10,914	lbs. 2,14,821	lbs. 13,73,073	lbs. 13,63,498	lbs. 13,40,418	lbs. 15,36,313	lbs. 18,01,205	lbs. 22,11,138
Turkey Red	lbs. 9,70,039	lbs. 9,60,463	lbs. 5,63,136	lbs. 2,68,070	lbs. 11,72,364	lbs. 7,56,373	lbs. 5,81,718	lbs. 4,01,585	lbs. 7,23,657	lbs. 5,75,156
Orange and Yellow	" 7,04,171	" 65,200	" 31,540	" 1,13,200	" 4,07,948	" 3,00,000	" 2,30,600	" 3,88,979	" 3,10,758	" 2,49,425
Green	" 2,13,400	....	" 18,472	" 83,200	" 82,000	" 45,999	" 52,400	" 39,600	" 86,400	" 22,000
Other Colours	" *7,17,504	" *4,43 419	" *1,56,872	" *5,75,847	" *15,29,278	" *14,63,915	" *15,89,265	" *17,57,278	" *26,40,875	" 28,93,275
Total for 12 months, Coloured Yarns .	lbs. 26,05,114	lbs. 14,69,082	lbs. 7,70,020	lbs. 10,40,317	lbs. 31,91,590	lbs. 25,66,287	lbs. 24,53,983	lbs. 25,87,442	lbs. 37,61,690	lbs. ....
Total, all Yarns..	lbs. 82,58,224	lbs. 37,40,975	lbs. 19,55,847	lbs. 74,76,699	lbs. 2,24,65,738	lbs. 2,56,30,647	lbs. 3,64,63,460	lbs. 2,54,99,795	lbs. 2,54,41,109	lbs. 2,61,57,172
COAL AND COKE.										
Coal (from Europe and Australia). Private	Tons 9,384	lbs. 9,551	Tons 1,230	Tons 3,134	Tons 6,146	Tons 2,27,680	Tons 2,45,920	Tons 1,10,476	Tons 70,848	Tons 61,665
" (" Japan) Do.	....	" 191	" 613	" 700	" 3,297	" 18,320	" 48,154	" 1,483	" 2,197	" 7,090
" (" other Foreign Ports) Do.	" 14,120	" 12,371	" 35,788	" 33,489	" 14,892	" 1,46,228	" 1,85,028	" 2,94,776	" 2,11,639	" 2,27,717
" (" Bengal) Do.	" 1,444	....	....	" 9,065	" 2,94,972	" 4,32,076	" 70,462	" 96,515	" 2,11,176	" 2,09,909
Coke (" Europe) Do.	" 987	....	....	....	....	" 2,018	" 7,083	" 2,316	" 1,074	" 1,074
" (" Natal) Do.	....	....	....	....	" 188	" 711	" 3,269	" 1,204	484	....
" (" Bengal) Do.	....	....	....	....	....	" 1,109	....	" 196	"	....
Coal (" Europe and Australia) By Railways	....	....	....	....	....	" 2,01,319	" 3,00,850	" 9,000	"	....
" (" other Foreign Ports) Do.	....	....	....	....	....	" 2,54,880	" 7,440	....	"	....
" (" Bengal) Do.	....	....	....	....	....	" 53,687	....	....	"	....

* This includes mercerised yarn.

EXPORTS OF INDIAN MANUFACTURED PIECE-GOODS AND YARNS FROM BOMBAY.

BY STEAMERS, SHIPS, AND COUNTRY CRAFT.

From 1st January to 31st December 1925.

As per Export General Manifests.

TO	Grey and White Piece-goods.			Coloured Piece-goods.		Total.		Twist.	
	Pckgs.	Yards.	Lbs.	Pckgs.	Yards.	Pckgs.	Yards	Bales.	Lbs.
Bengal-Calcutta..	34,928	6,32,03,990	1,45,56,496	4,305	67,95,236	39,233	6,99,99,226	11,203	44,69,204
Bengal-other Ports	3	5,700	1,540	4	5,760	7	11,460	....	....
Madras	186	2,80,934	73,565	....	....	186	2,80,934	2,062	8,20,600
Malabar and C. Coasts (Calicut, Cochin, &c.)	3,008	57,61,061	14,32,666	3,615	73,44,150	6,623	1,31,02,211	15,950	59,31,547
Kutch-Kathiawar (Anjar, Porebunder, &c.)	2,842	48,36,350	11,93,360	2,819	54,86,546	5,661	1,03,22,896	16,323	65,55,186
British Concan and Gujerat (Broch, Surat, Vengurla, &c.)	574	8,59,935	1,90,065	1,387	19,61,681	1,961	28,21,616	631	2,03,470
Foreign Concan (Borli, Rajpuri, &c.	12	24,785	5,333	16	36,285	28	61,070	9	2,590
Goa (M. Goa,) Daman and Diu.	98	1,79,210	44,840	236	4,40,730	334	6,19,940	129	41,628
Sind (Karachi)	55,653	10,59,97,305	2,64,77,254	2,36,660	3,95,24,019	79,313	14,55,21,324	15,888	60,53,110
British Burmah (Rangoon, Moulmein, &c.)	4,510	67,03,914	14,96,048	11,963	1,91,13,560	16,473	2,58,17,474	30,008	1,08,43,647
Ceylon (Colombo)	355	5,89,384	1,40,349	874	15,91,127	1,229	21,80,511	295	98,844
Laccadives and Maldives ..	....	....	....	....	11,700	....	11,700	....	....
China (Hongkong)	....	....	....	....	....	....	....	28,621	1,14,48,400
China (Shanghai)	....	....	....	1	350	1	350	....	....
China (Tientsin, Amoy) ..	2	3,000	620	60	1,41,370	62	1,44,370	2	800
Japan (Yokohama, Kobe, Moji, &c.)	....	....	....	....	....	....	....	10	400
Straits Settlements (Penang and Singapore)	63	1,43,780	36,140	314	5,83,137	377	7,26,917	2,494	9,90,580
Persia (Bushire, Linga, &c.) ..	3,408	59,29,291	11,18,767	14,933	2,24,80,739	18,341	2,84,10,030	8,253	31,03,950
Arabia (Jeddah, Muscat, &c.). .	913	16,84,695	3,44,096	2,944	66,45,641	3,857	83,30,336	963	3,70,900
Turkey—Asiatic	....	....	....	....	....	....	....	80	32,000
Mesopotamia — Busreh and Bagdad	10,708	1,32,75,842	27,05,461	16,700	2,46,21,191	27,408	3,78,97,033	2,136	8,35,660
Syria — Alexandretta, Caifa, Beyrout, &c.	5	7,200	1,500	378	5,63,800	383	5,71,000	4,971	19,76,400
Palestine	....	....	....	....	....	....	....	....	....
Smyrna	5	4,000	1,363	....	....	5	4,000	1,405	5,59,560
Mekran and Sonmiani (Vermaila, Gwadhar, &c.). ..	9	18,795	2,475	22	41,625	31	60,420	....	....
Aden	695	14,54,193	3,51,969	1,650	34,97,217	2,345	49,51,410	8,080	30,56,070
Africa—Mauritius, Seychelles and Reunion	539	11,14,310	2,41,134	551	11,17,961	1,090	22,32,271	....	....
Do. Zanzibar and Pemba ..	1,143	16,39,545	4,05,255	925	13,57,382	2,068	29,96,927	161	64,100
Do. Kenya Colony (Mombasa, Lamoo, &c)...	4,031	46,45,956	12,27,610	1,318	19,46,751	5,349	65,92,707	77	29,148
Do. Tanganyika Territory (Dar-es-salam, Tanga, &c.)	3,089	40,18,170	10,66,806	1,368	17,79,445	4,457	57,97,615	20	7,800
Do. Portuguese East (Beira, Mozambique, &c.)..	4,153	64,52,587	15,91,690	1,805	27,71,067	5,958	92,23,654	29	10,600
Do. Natal (Durban) ..	513	8,91,698	2,00,227	368	6,22,880	1,181	15,14,578	....	....
Do. Cape of Good Hope (Cape Town, East London)	2	2,800	600	5	10,080	7	12,960	....	....
Do. Somaliland (Magdisha, Djibouti, &c.) ..	516	10,46,456	2,18,223	171	3,63,873	687	14,10,329	199	73,710
Do. Abyssinia (Massawah) .	44	79,800	20,325	202	3,73,366	246	4,53,166	47	16,300
Do. Suakim and Port Sudan	937	12,64,004	2,81,055	801	13,33,345	1,738	25,97,349	2	800
Do. Egypt (Alexandria, Suez Port Said, &c.) ..	119	2,75,295	67,735	2,165	33,52,275	2,284	36,27,570	14,506	57,97,725
Do. Tripoli, Tunis, Algiers..	3	4,800	1,300	....	....	3	4,800	245	98,000
Do. Madagascar (Nossibe, Majunga, &c.) ..	....	....	....	....	....	....	....	....	....
Sumatra and Borneo (Padang, Palembang, &c.)	....	....	....	....	....	....	....	10	4,000
Port—Swettenham	....	....	....	....	....	....	....	....	....
Java (Batavia, Sourabaya, &c.)	4	8,000	2,000	23	50,610	27	58,610	180	59,650
Siam (Bangkok)	354	7,77,436	1,82,598	619	17,38,302	973	25,15,738	4,074	16,27,600
Philippine Islands (Maccassar, Manilla, &c.)	....	....	....	....	....	....	....	408	1,29,200
Turkey in Europe	....	....	....	48	72,300	48	72,300	1,233	4,89,200
Europe	12	20,313	4,940	183	2,93,890	195	3,14,203	4,596	17,22,008
Australia	1	968	500	1	865	2	1,833	....	....
Cyprus	....	....	....	....	....	....	....	920	3,64,168
Fiji Islands (Suva)	....	1,250	250	....	....	....	1,250	....	....
Socotra	20	10,400	2,080	4	1,200	24	11,600	....	....
America	....	....	....	....	672	....	672	....	....
Total Exports from 1st January to 31st December, 1925 ..	1,33,458	23,32,17,232	5,56,88,235	96,447	15,80,69,128	2,29,905	39,12,86,360	1,76,210	6,78,92,155
Do. do. 1924 ..	1,77,950	32,00,87,971	7,56,57,413	1,03,999	16,90,55,231	2,81,949	48,91,43,202	1,75,175	6,78,61,329
Exported same time, 1923 ..	1,73,381	30,44,97,408	6,94,52,982	1,10,242	18,09,90,710	2,83,624	48,54,88,118	2,15,036	8,36,57,151
Do. do. 1922 ..	1,38,769	25,42,92,354	6,59,28,239	1,00,581	17,64,11,422	2,39,350	43,07,06,776	2,67,711	10,51,22,885
Do. do. 1921 ..	1,20,739	21,25,63,435	5,35,77,720	99,518	15,95,72,347	2,20,257	37,21,35,782	3,14,330	12,43,10,163
Do. do. 1920 ..	1,49,552	24,12,30,910	6,14,82,863	1,57,042	12,03,32,112	3,06,594	36,15,63,022	2,88,778	11,33,51,962
Do. do. 1919 ..	1,32,112	21,93,43,388	5,65,36,165	1,16,313	20,22,86,577	2,48,425	42,16,29,965	3,72,212	14,68,32,081
Do. do. 1918 ..	94,071	15,34,63,774	4,00,25,958	71,424	12,60,63,308	1,65,495	27,95,27,082	1,93,275	7,55,99,059
Do. do. 1917 ..	1,14,845	17,69,34,869	4,61,19,953	86,909	14,82,90,803	1,98,754	32,52,25,672	3,73,187	14,71,67,250
Do. do. 1916 ..	1,75,923	24,93,26,445	7,09,56,464	82,818	13,96,16,532	2,58,741	38,79,42,967	4,10,872	16,26,27,300
Do. do. 1915 ..	1,08,956	19,99,68,079	5,83,50,926	61,045	10,30,38,333	1,70,001	30,30,06,412	4,71,895	18,65,85,698

EXPORTS OF ENGLISH AND FOREIGN MANUFACTURED PIECE-GOODS AND YARNS FROM BOMBAY.

BY STEAMERS, SHIPS, AND COUNTRY CRAFT.

From 1st January to 31st December 1925.
As per Export General Manifest.

TO	Piece-goods.								Total.		Twist.	
	Grey.		White.		Coloured and Printed.		Country Dyed.					
	Pckgs.	Yards.	Pckgs.	Yards.	Pckgs.	Yards.	Pckgs.	Yards.	Pckgs.	Yards.	Pckgs.	Lbs.
Bengal-Calcutta	83	1,11,400	..	..	14	22,592	..	..	97	1,33,992	53	16,000
Madras	..	..	5	16,400	..	..	..	..	5	16,400	193	47,100
Malabar and C. Coasts	7,321	1,38,26,782	2,355	48,05,150	752	14,44,199	1	1,750	10,429	2,00,77,881	1,841	6,29,781
Kutch and Kathiawar (Anjar, Porebunder, &c.)	2,558	50,06,574	582	10,36,416	813	17,82,198	..	..	3,953	78,25,188	32	11,000
British Concan and Gujerat Broach, Surat, Vengurla, &c.).	534	10,00,570	237	4,38,587	79	1,40,676	..	..	850	15,79,833	33	9,168
Foreign Concan (Borli, Rajpuri &c.)	1	2,850	4	9,256	5	3,320	..	..	10	15,426	1	160
Goa (M. Goa), Daman and Diu ..	566	10,66,120	157	3,02,855	161	2,77,245	..	..	884	16,46,220	16	2,100
Sind, (Karachi)	2,121	39,95,520	649	9,70,320	2,681	50,93,409	..	..	5,451	1,00,59,249	1,026	3,53,691
British Burmah (Rangoon, Moulmein &c.).	2	7,900	20	345,08	226	4,01,752	..	..	248	4,44,160	240	64,950
Ceylon (Colombo)	465	3,95,678	307	5,11,392	424	5,44,392	..	..	1,196	14,51,462	32	9,212
China (Hongkong)..	..	..	1	800	8	9,022	..	..	9	9,822	50	20,000
Do. (Shanghai)	..	..	..	..	..	..	..	..	..	..	75	30,000
Do. (Tientsin)	..	..	..	..	2	499	..	..	2	499	..	..
Japan (Yokohama, Kobe, Moji, &c.)	..	..	..	..	..	..	..	..	..	..	..	..
Straits Settlements (Penang and Singapore)..	2	4,000	22	36,544	25	36,310	..	..	49	76,854	1	400
Persia (Bushire, Linga, &c) ..	952	11,21,241	800	13,99,866	1,049	13,90,452	115	3,13,050	2,916	42,24,609	1,160	4,43,000
Arabia (Jeddah, Muscat, &c.) ..	2,324	20,85,904	905	27,54,954	606	15,24,960	440	16,88,730	4,275	80,54,548	303	1,17,700
Turkey—Asiatic	..	..	..	..	..	..	..	..	..	..	..	..
Mesopotamia—Busreh and Bagdad	5,659	52,39,690	105	1,06,655	62	71,881	..	..	5,826	54,18,226	143	43,400
Syria—Alexandretta, Beyrout, Caifa, &c.	277	2,08,350	..	..	1	480	..	..	278	2,08,830	70	23,500
Smyrna	..	..	..	..	..	..	..	..	..	..	..	..
Cyprus	..	..	..	..	..	..	..	..	..	..	..	..
Palestine	..	..	..	..	..	..	..	..	..	..	..	..
Mekran and Sonmiani (Vermalla, Gwadhar, &c.)	537	4,83,300	..	..	76	1,08,360	..	..	613	5,91,660	..	..
Aden	1,685	22,59,956	285	7,82,353	488	6,92,845	79	1,67,550	2,537	39,02,704	285	95,400
Africa—Mauritius	61	65,874	27	45,106	61	71,633	1	1,800	150	1,84,413	..	..
Do. Zanzibar and Pemba ..	286	2,43,860	66	1,51,163	94	1,94,793	17	30,100	463	6,19,919	9	2,700
Do. Kenya Colony (Mombasa, Lamoo, &c.) ..	1,983	18,36,331	84	1,24,276	487	7,14,858	2	1,800	2,556	26,77,265	..	..
Do. Tanganyika Territory (Dar-es-salam, Tanga, &c.)	549	4,97,562	28	28,861	77	1,15,645	..	..	654	6,40,068	1	400
Do. Portuguese East (Beira, Mozambique, Ibo, &c.)	1,048	9,08,940	20	33,150	108	1,98,579	205	3,69,858	1,381	15,10,527	..	..
Do. Natal (Durban)	2	2,400	..	..	17	24,675	3	6,829	22	33,904	..	..
Do. Cape of Good Hope (Cape Town, East London, &c.)	..	..	..	..	..	..	..	..	..	..	..	..
Do. Somaliland (Magdisha, Djibouti, Berbera, &c.)	42	30,500	..	..	2	2,400	..	..	44	32,900	58	18,400
Do. Abyssinia (Massowah) ..	159	1,44,700	2	4,256	8	17,345	..	..	169	1,66,301	..	..
Do. Suakim and Port Sudan .	786	7,07,262	5	7,726	7	7,500	..	..	798	7,22,488	..	..
Do. Egypt (Alexandria, Suez, Port Said, &c.). ..	462	4,15,800	14	29,085	3	4,580	..	..	479	4,49,465	27	10,200
Do. Tripoli, Tunis, Algiers, &c.	10	9,000	..	..	..	..	..	..	10	9,000	5	1,500
Do. Madagascar (Nossibe, Majunga, &c). ..	..	..	..	..	..	..	..	..	..	..	..	..
Sumatra and Borneo (Padang, Palembang, &c.).	..	..	..	..	1	2,000	..	..	1	2,000	..	..
Port—Swettenham	..	..	..	..	..	..	..	..	..	..	..	..
Java (Batavia, Sourabaya, &c.) ..	128	1,05,700	..	..	..	..	..	..	128	1,05,700	..	..
Siam (Bangkok)	12	19,730	9	18,450	7	5,514	..	..	28	43,694	2	800
Europe	467	4,24,740	15	19,864	65	1,13,413	..	..	547	5,58,017	..	..
East India and Philippine Islands (Maccassar, etc.) ..	..	..	..	..	..	..	..	..	..	..	..	..
Turkey in Europe	449	4,35,100	..	..	..	..	..	..	449	4,35,100	..	..
Socotra	1	900	..	..	..	..	..	..	1	900	..	..
America	..	..	..	..	..	..	..	..	..	..	..	..
Total Exports from 1st January to 31st December 1925 ..	31,532	4,26,64,234	6,704	1,36,65,996	8,409	1,50,17,527	863	25,81,467	47,508	7,39,29,224	5,656	19,50,562
Do. do. 1924 ..	52,044	6,24,25,709	5,421	1,15,35,395	9,882	1,73,51,463	1,273	37,18,976	68,620	9,50,31,543	6,065	21,64,834
Exported same time 1923 ..	70,155	7,93,90,305	5,232	1,13,21,792	9,771	1,72,04,157	1 054	27,07,158	86,213	11,06,23,412	6,819	24,98,448
Do. do. 1922 ..	70,850	7,06,91,373	5,095	1,14,05,152	11,106	1,95,82,470	778	20,30,689	87,829	10,37,09,684	6,427	22,39,696
Do. do. 1921 ..	66,084	7,38,08,056	5,345	1,22,08,974	14,975	1,55,01,403	1,783	36,82,053	88,187	10,52,00,486	3,781	13,55,970
Do. do. 1920 ..	43,616	5,19,46,756	5,669	1,36,72,707	12,699	2,48,12,354	1,584	37,30,372	63,568	9,41,62,189	2,016	6,87,337
Do. do. 1919 ..	44,148	7,14,40,148	11,416	3,13,53,684	22,601	4,80,61,253	2,826	59,44,754	80,991	15,67,99,839	12,739	49,05,903
Do. do. 1918 ..	64,337	7,03,59,002	8,644	2,30,95,519	19,934	3,60,89,844	3,945	80,95,583	96,860	13,76,39,948	3,548	12,93,395
Do. do. 1917 ..	16,338	2,82,59,190	10,418	2,59,55,594	21,527	4,21,93,267	7,413	1,36,85,587	55,695	11,00,93,638	3,281	9,12,019
Do. do. 1916 ..	25,760	4,16,83,336	12,217	2,73,98,995	20,555	4,08,29,296	12,720	2,28,87,406	71,252	13,27,99,033	5,891	16,76,876
Do. do. 1915 ..	11,754	2,40,92,000	10,905	2,43,68,466	20,863	4,39,20,266	6,850	1,30,89,431	50,372	10,54,70,163	4,616	14,14,995

EXPORTS OF INDIAN MANUFACTURED PIECE-GOODS AND YARNS FROM BOMBAY BY RAIL.

From 1st January to 31st December, 1925.

G. I. P. AND CONNECTED RAILWAYS.

TO	Indian Piece-Goods.		Indian Twist.	Remarks.
	Bales.	Boxes.	Bales.	
GREAT INDIAN PENINSULA RAILWAY.				
BOMBAY TO NASIK ROAD, EXCLUDING NASIK ROAD	677	9	163	
NASIK ROAD	1,592	5	1,261	
NASIK ROAD TO MANMAD	1,058	9	4,312	
MANMAD TO BHUSAVAL	1,571	83	2,444	
BHUSAVAL TO AKOLA, EXCLUDING AKOLA AND KHAMGAON .	858	44	322	
AKOLA	1,240	104	411	
AKOLA TO BADNERA	221	22	54	
BADNERA TO WARDHA, EXCLUDING WARDHA	254	10	32	
WARDHA	352	75	9	
WARDHA TO ITWARI BAZAR, EXCLUDING NAGPUR	820	247	6,982	
NAGPUR	623	133	206	
BHUSAVAL TO KHANDWA, EXCLUDING KHANDWA	1,052	45	1,291	
KHANDWA	834	59	89	
KHANDWA TO ITARSI	1,242	90	311	
ITARSI TO NAGPUR	530	16	458	
ITARSI TO GADARVADA	660	22	329	
GADARVADA TO JUBBULPORE, EXCLUDING JUBBULPORE ..	917	95	352	
JUBBULPORE	2,360	255	1,257	
G. I. P. RAILWAY—BRANCH LINES.				
DHOND-MANMAD RAILWAY.				
MANMAD TO DHOND, EXCLUDING AHMEDNAGAR	969	11	482	
AHMEDNAGAR	1,117	34	1,488	
CHALISGAON-DHULIA LINE	323	19	286	
JALGAON-AMALNER LINE	381	8	624	
JALAMB TO KHAMGAON	554	22	72	
BADNERA TO AMRAOTI	853	122	136	
WARDHA COAL RAILWAY.				
WARDHA TO BALLARSHAH, EXCLUDING WARORA	363	26	265	
WARORA	78	3	53	
MOHPANI VIA GADARVADA	..	..	..	
INDIAN MIDLAND RAILWAY via ITARSI.				
ITARSI TO BHOPAL INCLUSIVE	956	21	139	
BHOPAL TO UJJAIN SECTION AND VIA	552	47	163	
BHOPAL TO BINA	737	11	76	
BINA TO KATNI AND VIA	16,837	134	3,460	
BINA TO BARAN AND VIA	531	23	423	
BINA TO JHANSI	439	9	213	
JHANSI TO CAWNPORE, EXCLUDING CAWNPORE	43	1	58	
CAWNPORE AND VIA	84,208	762	3,113	
STATIONS BETWEEN JHANSI AND MANIKPUR AND VIA ..	3,523	41	2,155	
CAWNPORE-BANDA SECTION	..	..	..	
JHANSI TO GWALIOR, EXCLUDING GWALIOR	13	..	..	
GWALIOR AND VIA GWALIOR	455	6	212	
GWALIOR TO AGRA, EXCLUDING AGRA	204	4	13	
AGRA AND VIA	41	..	32	
STATIONS BETWEEN AGRA AND ALIGARH..	..	..	..	
ALIGARH	19	4	9	
VIA ALIGARH, OUDH AND ROHILKHAND RAILWAY	6	1	11	
STATIONS BETWEEN AGRA AND DELHI	21	6	3	
ALIGARH TO SAHARANPUR VIA GHAZIABAD AND CHANDOUSI	454	6	5	
GHAZIABAD TO MORADABAD	..	..	..	
DELHI	..	..	..	
DELHI-KALKA RAILWAY	..	..	..	
STATIONS BETWEEN SAHARANPUR AND LAHORE, EXCLUDING AMRITSAR AND LAHORE	..	..	..	
AMRITSAR	11	..	..	
LAHORE	..	..	..	
STATIONS BEYOND LAHORE	..	..	..	
STATIONS ON SOUTHERN PUNJAB RAILWAY AND VIA	1	..	..	
STATIONS ON DHOLPUR-BARI RAILWAY	..	..	5	
Carried forward ..	1,30,490	2,644	33,779	

G. I. P. AND CONNECTED RAILWAYS—*continued.*

TO	Indian Piece-Goods.		Indian Twist.	Remarks.
	Bales.	Boxes.	Bales.	
Brought forward ..	1,30,490	2,644	33,779	
EAST INDIAN RAILWAY via JUBBULPORE.				
JUBBULPORE TO KATNI	..	..	..	
KATNI TO MANIKPUR	2,795	6	107	
MANIKPUR TO ALLAHABAD	9	..	1	
STATIONS EAST OF ALLAHABAD, EXCLUDING CALCUTTA ..	..	..	..	
CALCUTTA	927	41	149	
STATIONS BETWEEN CAWNPORE AND ALLAHABAD	99	1	..	
ALLAHABAD		2	..	
STATIONS BETWEEN CAWNPORE AND LUCKNOW	..	..	..	
LUCKNOW	..	..	..	
STATIONS BEYOND LUCKNOW	4	..	..	
STATIONS BETWEEN CAWNPORE AND AGRA	151	..	7	
STATIONS BETWEEN AGRA AND HATHRAS	..	..	..	
HATHRAS	1	..	..	
STATIONS BETWEEN HATHRAS AND CAWNPORE-ACHNERA RAILWAY	2	..	..	
STATIONS BETWEEN HATHRAS AND MUTTRA	..	..	..	
MUTTRA	..	..	..	
STATIONS BETWEEN HATHRAS AND DELHI	..	..	2	
DELHI	..	..	..	
DELHI TO BHATINDA	..	..	..	
BHATINDA TO LAHORE AND BEYOND	..	..	..	
STATIONS ON CENTRAL PROVINCES RAILWAY via MURTAJAPUR..	2,566	165	379	
PULGAON-ARVI RAILWAY	83	7	39	
PACHORA-JAMNER RAILWAY	121	..	4	
BENGAL-NAGPUR RAILWAY via NAGPUR.				
NAGPUR TO RAIPUR, EXCLUDING RAIPUR	1,412	217	332	
RAIPUR	899	16	379	
RAIPUR TO BILASPUR	77	1	..	
STATIONS EAST OF BILASPUR (EXCLUDING ARMENIAN GHAT, HOWRAH AND CALCUTTA)	63,344	332	9,355	
HOWRAH AND CALCUTTA	13	..	..	
ARMENIAN GHAT	205	14	5	
BILASPUR TO KATNI, EXCLUDING KATNI	22	1	1	
KATNI AND VIA	..	..	..	
STATIONS ON BENGAL-NAGPUR RAILWAY VIA JUBBULPORE	252	13	338	
Do. do. do. VIA ITWARI.. ..	410	18	101	
HYDERABAD-GODAVARY VALLEY RY.				
MANMAD TO SECUNDERABAD AND VIA, EXCLUDING AURANGABAD AND JALNA	1,608	467	3,247	
AURANGABAD	455	43	111	
JALNA	732	90	877	
STATIONS ON RAJPUTANA-MALWA RAILWAY via KHANDWA ..	53	1	3	
STATIONS ON TAPTI-VALLEY RAILWAY via AMALNER	4	1	2	
SOUTHERN SECTION.				
GREAT INDIAN PENINSULA RAILWAY.				
STATIONS BETWEEN KALYAN AND POONA	620	8	545	
POONA	1,785	79	1,003	
POONA TO DHOND	140	2	48	
STATIONS BETWEEN DHOND AND KURDUWADI	171	24	372	
KURDUWADI	32	7	199	
KURDUWADI TO HOTGI, EXCLUDING SHOLAPUR	13	1	29	
SHOLAPUR	1,512	267	1,234	
HOTGI TO WADI	928	70	508	
WADI TO RAICHUR	770	58	685	
STATIONS ON DHOND-BARAMATI RAILWAY VIA DHOND ..	97	16	87	
STATIONS ON BARSI LIGHT RAILWAY	1,021	172	805	
STATIONS ON MATHERAN STEAM LIGHT TRAMWAY via NERAL..	6	..	..	
Carried forward ..	2,13,829	4,784	54,733	

G. I. P. AND CONNECTED RAILWAYS—*continued.*

TO	Indian Piece-goods. Bales.	Indian Piece-goods. Boxes.	Indian Twist. Bales.	Remarks.
Brought forward ..	2,13,829	4,784	54,733	
NIZAM'S RAILWAY.				
WADI TO BEGAMPAT	64	10	520	
HYDERABAD	271	89	34	
SECUNDERABAD	4,145	1,062	2,505	
SECUNDERABAD TO WARANGAL	44	18	832	
STATIONS BETWEEN WARANGAL AND BEZWADA	2	..	..	
BEZWADA AND VIA	7,454	424	24,942	
VIA SECUNDERABAD (H. G. V. RY.)	6	1	..	
MADRAS AND SOUTHERN MAHRATTA RAILWAY.				
RAICHUR TO GUNTAKAL	355	31	1,724	
STATIONS BETWEEN GUNTAKAL AND MADRAS	632	52	723	
MADRAS	4,897	2,206	1,123	
STATIONS EAST OF BANGALORE, EXCLUDING BANGALORE ..	1,260	230	537	
HOTGI TO BIJAPUR	494	10	320	
BIJAPUR TO BAGALKOT	942	94	620	
BAGALKOT TO GADAG	206	37	2,106	
POONA TO MIRAJ	2,629	287	2,316	
MIRAJ TO KOLHAPUR	1,644	166	1,288	
STATIONS BETWEEN MIRAJ AND BELGAUM	1,218	65	2,858	
BELGAUM	1,175	151	827	
BELGAUM TO LONDA	..	..	..	
LONDA TO MARMAGOA	..	..	..	
STATIONS BETWEEN LONDA AND HUBLI	337	32	24	
HUBLI	749	158	225	
HUBLI TO BIRUR	1,404	192	381	
BIRUR TO SHIMOGA	192	3	6	
STATIONS BETWEEN BIRUR AND BANGALORE	303	11	13	
BANGALORE	4,323	605	495	
BANGALORE TO NANJANGUD	1,119	98	44	
STATIONS BETWEEN HUBLI AND GADAG	14	..	118	
GADAG	579	216	479	
GADAG TO BELLARY	275	35	113	
BELLARY	874	209	88	
BELLARY TO GUNTAKAL	..	..	..	
GUNTAKAL TO BEZWADA AND BEYOND	413	50	498	
GUNTAKAL TO DHARMAVARAM	1,082	2	12	
DHARMAVARAM TO BANGALORE	740	28	59	
STATIONS SOUTH-EAST OF DHARMAVARAM	577	21	14	
TOTAL EXPORTS BY G. I. P. & CONNECTED RYS. IN 1925 ..	2,54,247	11,384	1,00,577	
Do. do. do. 1924 ..	1,84,856	9,600	90,820	
Do. do. do. 1923 ..	1,90,399	7,634	1,08,193	
Do. do. do. 1922 ..	1,93,445	3,698	1,21,533	
Do. do. do. 1921 ..	2,06,658	2,012	1,11,289	
Do. do. do. 1920 ..	1,73,134	5,414	93,076	
Do. do. do. 1919 ..	2,16,971	1,484	61,191	
Do. do. do. 1918 ..	68,007	2,502	45,973	
Do. do. do. 1917 ..	26,370	390	19,223	
Do. do. do. 1916 ..	25,663	448	19,479	
Do. do. do. 1915 ..	19,322	644	15,672	

Bombay, Baroda & Central India Railway.
(INCLUDING RAJPUTANA-MALWA RAILWAY).

TO	Indian Piece-goods.		Indian Twist.	Remarks.
	Bales.	Boxes.	Bales.	
BROAD-GAUGE SYSTEM.				
BOMBAY TO SURAT, EXCLUDING SURAT	1,817	21	1,107	
SURAT	1,758	104	2,832	
SURAT TO BROACH, EXCLUDING BROACH	315	3	217	
BROACH	613	26	173	
STATIONS ON THE BROACH-JAMBUSAR RAILWAY	134	3	124	
BROACH TO BARODA, EXCLUDING BARODA	118	4	9	
BARODA	381	20	1,125	
BARODA TO ANAND, EXCLUDING ANAND	36	..	194	
ANAND	12	4	71	
ANAND TO GODHRA, EXCLUDING GODHRA	274	9	61	
BARODA TO GODHRA, EXCLUDING BARODA AND GODHRA ..	155	5	4	
GODHRA	320	17	32	
ANAND TO AHMEDABAD, EXCLUDING AHMEDABAD	173	8	1,656	
AHMEDABAD	9,224	430	8,927	
AHMEDABAD TO KHARAGHODA	307	..	410	
GODHRA TO RUTLAM	983	31	902	
RUTLAM TO UJJAIN	344	9	364	
NAGDA TO MUTTRA JUNCTION	2,245	30	883	
STATIONS ON THE AGRA BAYANA CHORD, EXCLUDING AGRA	..	..	..	
AGRA	4,961	13	58	
VIA KANKRAKHARI	237	..	95	
„ UDHNA	988	7	315	
„ KOSAMBA	25	..	1	
„ ANKLESVAR	62	..	11	
„ MIYAGAM, VISHVAMITRI, SAMLAYA AND TIMBA ROAD	526	15	634	
„ CHAMPANER	50	4	...	
„ GODHRA	101	2	63	
„ NADIAD	48	2	31	
„ ANAND	183	2	4,570	
„ AHMEDABAD	279	2	135	
„ SABARMATI (A. D. RY.)	28	2	39	
„ UJJAIN (G. I. P. RY.)	66	2	31	
„ KOTAH	116	5	599	
„ SIWAI MADHOPUR	121	..	9	
„ AGRA	30	..	80	
„ BILIMORA	18	..	36	
„ MUTTRA, EXCLUDING DELHI SADAR AND *VIA* DELHI JUNCTION)	..	..	..	
„ MUTTRA TO DELHI SADAR STATION	37,349	923	1,796	
„ „ TO *VIA* DELHI	1,586	19	318	
Carried forward ..	65,988	1,722	27,912	

TO	Indian Piece-goods. Bales.	Indian Piece-goods. Boxes.	Indian Twist. Bales.	Remarks.
Brought forward ...	65,988	1,722	27,912	
METRE-GAUGE SYSTEM.				
VIA RUTLAM. RUTLAM TO KHANDWA	2,646	27	1,418	
VIA RUTLAM. RUTLAM TO CHITORGARH	1,456	7	668	
VIA RUTLAM. *VIA* CHITORGARH	2,109	8	444	
VIA RUTLAM. CHITORGARH TO HATUNDI	1,654	1	392	
VIA SABARMATI. AJMER	990	6	135	
VIA SABARMATI. AHMEDABAD TO MARWAR RY. JUNCTION	696	10	2,089	
VIA SABARMATI. MARWAR RY. JUNCTION TO AJMER	309	22	654	
VIA SABARMATI. AJMER TO PHULERA	107	...	...	
VIA SABARMATI. PHULERA TO KUCHAMAN ROAD	89	..	57	
VIA SABARMATI. REWARI-PHULERA CHORD LINE	570	...	16	
VIA SABARMATI. PHULERA TO JEYPUR	1,469	4	47	
VIA SABARMATI. JEYPUR TO BANDIKUI	361	..	11	
VIA SABARMATI. BANDIKUI TO ACHNERA	414	2	38	
VIA SABARMATI. ACHNERA TO AGRA, EXCLUDING AGRA	2	..	..	
VIA SABARMATI. AGRA *VIA* BAYANA	..	..	...	
VIA SABARMATI. ACHNERA TO CAWNPORE	..	..	..	
VIA SABARMATI. BANDIKUI TO DELHI, EXCLUDING DELHI	416	..	306	
VIA SABARMATI. DELHI	..	..	..	
VIA SABARMATI. REWARI TO FAZILKA AND BEYOND	44,378	230	12,809	
VIA SABARMATI. *VIA* KALOL	182	11	272	
VIA SABARMATI. ,, MEHSANA	492	3	1,845	
VIA SABARMATI. ,, PALANPUR	...	..	..	
VIA SABARMATI. ,, MARWAR RAILWAY JUNCTION	6,029	72	3,834	
VIA SABARMATI. ,, KUCHAMAN ROAD	267	1	66	
VIA SABARMATI. ,, REENGUS	417	2	60	
VIA SABARMATI. ,, DELHI	..	..	..	
VIA SABARMATI. ,, JAIPUR WEST	22	...	..	
VIA SABARMATI. ,, AGRA EAST BANK	...	..	..	
VIA SABARMATI. ,, SANGANER	..	..	..	
VIA SABARMATI. ,, MUTTRA	..	...	...	
VIA SABARMATI. ,, HATHRAS	..	...	..	
VIA SABARMATI. ,, KASGANJ	...	...	..	
VIA BHARATPUR. ACHNERA TO CAWNPORE..	12,776	45	986	
VIA BHARATPUR. BANDIKUI TO ACHNERA	..	...	...	
VIA BHARATPUR. *VIA* HATHRAS	206	...	159	
VIA BHARATPUR. ,, KASGANJ	3,998	15	879	
VIA BHARATPUR. ,, CAWNPORE	22	2	...	
VIRAMGAM TO WADHWAN	27	3	27	
VIA WADHWAN (B.S. and MORVI DHARANGADHRA RYS.) ...	2,213	42	528	
TOTAL EXPORTS BY B. B. & C. I. RY. IN .. 1925	1,50,905	2,241	55,859	
Do. **do.** .. 1924	1,47,064	2,750	47,019	
Do. **do.** .. 1923	1,61,305	2,808	69,914	
Do. **do.** .. 1922	1,36,533	651	56,710	
Do. **do.** ... 1921	1,17,311	243	53,725	
Do. **do.** ... 1920	75,569	160	37,648	
Do. **do.** ... 1919	20,070	7	30,363	
Do. **do.** .. 1918	12,980	21	43,888	
Do. **do.** .. 1917	8,006	137	30,818	
Do. **do.** .. 1916	4,924	104	20,418	
Do. **do.** .. 1915	3,856	181	29,720	

SUMMARY OF EXPORTS BY ALL RAILWAYS.

TO	Indian Piece-goods.		Indian Twist.	Remarks.
	Bales.	Boxes.	Bales.	
G. I. P. AND CONNECTED RAILWAYS	2,54,247	11,384	1,00,577	
B. B. & C. I. RAILWAY (INCLUDING RAJPUTANA-MALWA RAILWAY)	1,50,905	2,241	55,859	
TOTAL EXPORTS, 1925 ..	4,05,152	13,625	1,56,436	
Do. do. 1924 ..	3,31,920	12,350	1,37,839	
Do. do. 1923 ...	3,51,704	10,442	1,78,107	
Do. do. 1922 ..	3,29,978	4,349	1,78,243	
Do. do. 1921 ..	3,23,969	2,255	1,65,124	
Do. do. 1920 ..	2,48,703	5,574	1,30,724	
Do. do. 1919 ..	2,37,041	1,491	91,554	
Do. do. 1918 ..	80,987	2,523	89,861	
Do. do. 1917 ..	34,376	527	50,041	
Do. do. 1916 ..	30,587	552	39,897	
Do. do. 1915 ..	23,178	825	45,392	

ANNUAL PROGRESS OF RAILWAYS IN INDIA SINCE THEIR COMMENCEMENT.

Year.	Total Mileage.	Year.	Total Mileage.	Year.	Total Mileage.	Year.	Total Mileage.
1853	20	1870	4,771	1887	14,103	1905	28,295
1854	71	1871	5,074	1888	14,576	1906	29,097
1855	169	1872	5,369	1889	15,887	1907	30,010
1856	272	1873	5,697	1890	16,401	1908	30,576
1857	287	1874	6,226	1891	17,308	1909	31,490
1858	427	1875	6,541	1892	17,815	1910	32,099
1859	625	1876	6,860	1893	18,504	1911	32,839
1860	838	1877	7,320	1894	18,900	1912	33,484
1861	1,587	1878	8,217	1895	19,547	1913	34,656
1862	2,333	1879	8,494	1896	20,254	* 1913–14	34,656
1863	2,507	1880	9,162	1897	21,115	* 1914–15	35,285
1864	2,958	1881	9,890	1898	22,040	* 1915–16	35,833
1865	3,363	1882	10,149	1899	23,523	* 1916–17	36,286
1866	3,563	1883	10,458	1900	24,752	* 1917–18	36,333
1867	3,929	1884	11,631	1901	25,363	* 1918–19	36,616
1868	4,008	1885	12,283	1902	25,931	* 1919–20	36,735
1869	4,255	1886	12,892	1903	26,956	* 1920–21	37,029
				1904	27,565	* 1921–22	37,266
						* 1922–23	37,618
						* 1923–24	38,039
						* 1924–25	38,270

(From Railway Board Reports) * Official year ending 31st March.

Statement showing the Exports of Indian Manufactured Piece-Goods and Yarns by Sea and Rail from Bombay during the years 1915 *to* 1925.

Year.	Piece-Goods.		Total (Piece-Goods.)	Yarns.				Total (Yarns.)		Remarks.
	By Sea.	By Rail.		By Sea.		By Rail.				
	Packages.	Packages.	Packages.	Packages.	lbs.	Packages.	lbs.	Packages.	lbs.	
1915	1,70,001	24,003	1,94,004	4,71,895	18,65,85,698	45,392	1,76,76,781	5,17,287	20,42,62,479	
1916	2,58,741	31,139	2,89,880	4,10,872	16,26,27,300	39,897	1,51,38,432	4,50,769	17,77,65,732	
1917	1,98,754	34,903	2,33,657	3,73,187	14,71,67,250	50,041	1,92,81,504	4,23,228	16,64,48,754	
1918	1,65,495	83,510	2,49,005	1,93,275	7,55,99,059	89,861	3,48,46,025	2,83,136	11,04,45,084	
1919	2,48,425	2,38,532	4,86,957	3,72,212	14,68,32,081	91,554	1,91,92,320	4,63,765	16,60,24,401	
1920	3,06,594	2,54,277	5,60,871	2,88,778	11,33,51,962	1,30,724	4,77,74,427	4,19,502	16,11,26,389	
1921	2,20,257	3,26,224	5,46,481	3,14,330	12,43,10,163	1,65,124	6,14,29,988	4,79,454	18,57,40,151	
1922	2,39,350	3,34,327	5,73,677	2,67,711	10,51,22,885	1,78,243	6,70,17,353	4,45,954	17,21,40,238	
1923	2,83,624	3,62,146	6,45,770	2,15,036	8,36,57,151	1,78,107	6,65,96,379	3,93,143	15,02,53,530	
1924	2,81,949	3,44,270	6,26,219	1,75,175	6,78,61,329	1,37,839	4,93,84,348	3,13,014	11,72,45,677	
1925	2,29,905	4,18,777	6,48,682	1,76,210	6,78,92,155	1,56,436	6,25,74,400	3,32,646	13,04,66,555	

Statement showing the arrivals of Cotton into Bombay by Sea and Rail during the years 1916 *to* 1925.

By	1916.	1917.	1918.	1919.	1920.	1921.	1922.	1923.	1924.	1925.
	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
Steamers and Country Craft	12,44,544	19,85,707	19,51,999	11,53,495	20,82,890	22,96,830	17,59,772	23,06,101	19,02,558	..
B. B. & C. I. Railway	26,35,251	31,06,575	27,91,572	26,17,871	24,59,186	27,81,012	24,92,378	25,84,859	33,180	..
G. I. P. Railway	60,95,915	39,49,424	32,18,264	51,38,112	63,88,732	55,66,333	57,87,680	42,51,695	5,95,889	..
B. P. T. Railway (*via* G. I. P.)	6,18,768	*3,52,096	2,40,471	3,73,807	4,91,572	8,34,967	10,65,652	23,69,983	58,57,953	..
Do. (*via* B. B. & C. I. Railway)	1,36,615	2,90,227	79,324	36,018	2,43,106	76,787	2,43,712	12,06,310	27,95,768	..
Total Cwts.	1,07,31,093	96,84,029	82,81,630	93,19,303	1,16,65,486	1,15,55,929	1,13,49,194	1,27,18,948	1,11,85,348	,,
Total F.-P. Bales of 3½ Cwts. each	30,66,027	27,66,866	23,66,180	26,62,658	33,32,996	33,01,694	32,42,627	36,33,985	31,95,814	39,08,985

Statement showing the Exports of Cotton to Europe, China, Japan, Calcutta, &c., from Bombay during the years 1916 *to* 1925.

To	1916.	1917.	1918.	1919.	1920.	1921.	1922.	1923.	1924.	1925.
	F. P. Bales.	F. P. Bales.	F. P. Bales.	F. P. Bales.	F. P. Bales.	F. P. Bales.	F. P. Bales.	F. P. Bales.	F. P. Bales.	
Europe	2,93,876	3,58,378	1,90,529	3,37,043	6,49,736	5,03,215	6,28,674	9,80,710	8,64,204	7,62,266
China	1,07,453	39,226	18,494	47,630	1,44,827	3,42,142	3,48,753	3,83,776	2,36,287	3,86,400
Japan	15,42,589	14,15,278	7,48,154	11,49,791	11,68,690	14,81,525	13,38,125	15,92,506	13,69,431	16,37,524
America	....	....	....	2,235	405	100	2,895	11,392	19,860	9,719
Calcutta and other Ports	12,798	2,254	7,797	12,483	23,135	28,349	53,149	40,818	30,171	24,720
Total Bales	19,56,716	18,15,136	9,64,974	15,49,182	19,86,793	23,55,331	23,71,596	30,09,202	25,20,053	28,20,629

* Corrected.

EXPORTS OF INDIAN SPUN TWIST BY SEA AND RAIL FROM BOMBAY CONVERTED INTO BALES OF 400 lbs. EACH.

JANUARY 1ST TO DECEMBER 31ST.	To China.	To Japan.	Total to China and Japan.	Total to other Ports.	Total Exports by Sea.	Total Exports by Rail.	Total Exports by Sea and Rail.
1880	63,194	4,527	67,721	38,825	106,546	14,092	120,638
1881	61,783	7,378	69,161	41,092	110,253	14,333	124,586
1882	81,434	9,854	91,288	41,502	132,790	14,400	147,190
1883	94,982	17,421	112,403	42,130	154,533	9,091	163,624
1884	127,318	13,846	141,164	48,226	189,390	6,049	195,439
1885	154,517	19,020	173,537	43,197	216,734	5,129	221,863
1886	199,407	20,543	219,950	45,103	265,053	4,649	269,702
1887	205,158	39,730	244,888	47,799	292,687	3,475	296,162
1888	2,34 071	52,697	286,768	49,789	336,557	2,250	338,807
1889	254,697	62,220	316,917	59,326	376,243	1,615	377,858
1890	325,060	37,722	362,782	67,201	429,983	13,942	443,925
1891	365,038	10,939	375,977	78,136	454,113	9,147	463,260
1892	385,771	21,445	407,216	69,547	476,763	7,850	484,613
1893	297,572	14,198	311,770	88,130	399,900	9,139	409,039
1894	338,703	10,743	349,446	105,863	455,309	10,388	465,697
1895	374,119	2,515	376,634	104,871	481,505	7,443	488,948
1896	471,023	2,467	473,490	99,877	573,367	6,274	579,641
1897	361,221	645	361,866	91,095	452,961	5,822	458,783
1898	437,645	475	438,120	108,691	546,811	7,125	553,936
1899	579,619	250	579,869	94,029	673,898	4,408	678,306
1900	253,331	100	253,431	87,998	341,429	5,480	346,909
1901	536,195	...	536,195	99,599	635,794	6,670	642,464
1902	555,487	...	555,487	111,259	666,746	7,427	674,173
1903	604,044	...	604,044	113,256	717,300	8,348	725,648
1904	460,316	3	460,319	113,381	573,700	9,789	583,489
1905	651,870	...	651,870	91,603	743,473	8,099	751,572
1906	596,926	500	597,426	99,628	697,054	15,417	712,471
1907	412,127	200	412,327	190,387	602,714	19,218	621,932
1908	441,899	...	441,899	144,312	586,211	18,334	604,545
1909	510,746	...	510,746	120,406	631,152	19,302	650,454
1910	424,893	...	424,893	130,506	555,399	19,103	574,502
1911	275,087	...	275,087	121,369	396,456	18,927	415,383
1912	433,989	...	433,989	137,910	571,899	13,400	585,299
1913	405,359	...	405,359	107,661	513,020	15,011	528,031
1914	324,586	...	324,586	108,346	432,932	30,957	463,889
1915	358,777	...	358,777	107,687	466,464	44,192	510,656
1916	303,692	...	303,692	102,876	406,568	37,846	444,414
1917	286,366	107	286,472	81,445	367,918	48,203	416,121
1918	108,568	...	108,568	80,429	188,997	87,115	276,112
1919	270,058	389	270,447	96,633	367,080	78,892	445,972
1920	175,688	...	175,688	107,692	283,380	119,436	402,816
1921	152,911	10	152,921	157,854	310,775	153,574	464,349
1922	118,970	...	118,970	143,837	262,807	167,543	430,350
1923	58,241	...	58,241	150,901	209,142	166,491	375,633
1924	31,161	....	31,161	138,492	169,653	123,461	293,114
1925	28,623	40	28,663	141,107	169,770	156,436	326,206

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill consumption in the Island of Bombay. In thousands of Bales (000's omitted).

Years ending 30th June.

Years ending 30th June.	Receipts.	Exports to			Mill consumption.	Total.	Years ending 30th June.	Receipts.	Exports to			Mill consumption.	Total.
		Europe.	Elsewhere.	Total.					Europe.	Elsewhere	Total.		
1859	....	490	152	642			1886	1,480	1,009	61	1,070	391	1,461
1860	....	566	202	768			1887	1,703	1,147	40	1,187	454	1,641
1861	....	835	61	896	American War.		1888	1,472	893	58	951	500	1,451
1862	....	911	8	919	In 1863 and 1864		1889	1,851	1,286	46	1,332	565	1,897
1863	....	867	3	870	Bombay Imported Cotton from China.		1890	2,235	1,488	71	1,559	636	2,195
1864	....	1,065	1	1,066			1891	2,020	1,070	107	1,177	762	1,939
1865	....	1,187	14	1,201	42	1,243	1892	1,770	905	202	1,107	728	1,835
1866	....	1,277	5	1,282	46	1,328	1893	1,738	816	169	985	724	1,709
1867	....	1,030	48	1,078	47	1,125	1894	1,769	908	159	1,067	731	1,798
1868	....	1,225	56	1,281	48	1,329	1895	1,540	525	143	668	815	1,483
1869	....	1,115	50	1,165	49	1,214	1896	2,151	800	346	1,146	849	1,995
1870	....	967	39	1,006	50	1,056	1897	1,612	603	405	1,008	703	1,711
1871	1,085	1,002	48	1,050	52	1,102	1898	1,730	424	409	833	817	1,650
1872	1,151	1,079	34	1,113	53	1,166	1899	2,033	578	520	1,098	951	2,049
1873	978	917	34	951	67	1,018	1900	988	117	444	561	745	1,306
1874	1,311	1,192	25	1,217	83	1,300	1901	1,896	620	340	960	696	1,656
1875	1,345	1,285	20	1,305	135	1,440	1902	2,142	525	732	1,257	987	2,244
1876	1,073	980	35	1,015	147	1,162	1903	2,454	921	349	1,270	986	2,256
1877	1,141	920	38	958	161	1,119	1904	2,151	1,036	423	1,459	978	2,432
1878	961	800	46	846	204	1,050	1905	2,609	384	664	1,048	1,072	2,120
1879	832	652	64	716	181	897	1906	2,663	1,017	477	1,494	1,141	2,635
1880	1,171	874	34	908	220	1,128	1907	2,949	1,169	747	1,916	1,115	3,031
1881	2,244	874	60	934	273	1,207	1908	2,123	731	454	1,185	1,079	2,264
1882	1,832	1,521	87	1,608	277	1,885	1909	2,166	643	723	1,366	1,099	2,465
1883	1,770	1,335	95	1,430	313	1,743	1910	3,152	1,054	968	2,022	984	3,006
1884	1,759	1,295	100	1,395	348	1,743	1911	2,467	1,014	668	1,682	953	2,635
1885	1,139	791	70	861	392	1,253	1912	2,540	383	923	1,306	1,078	2,384

Year ending 31st August.	Receipts.		Total Receipts.	Exports.			Total Exports.	Mill consumption.	Total.
	India.	Foreign countries.		Europe.	China and Japan.	Elsewhere.			
1913	2,733	46	2,779	534	1,023	30	1,587	1,047	2,634
1914	3,733	6	3,739	1,301	1,245	24	2,570	1,078	3,648
1915	2,683	5	2,688	405	1,441	15	1,861	1,026	2,887
1916	3,133	6	3,139	294	1,691	8	1,993	1,096	3,089
1917	3,103	17	3,120	302	1,321	7	1,630	1,135	2,765
1918	2,279	27	2,306	293	1,213	7	1,513	1,068	2,581
1919	2,525	18	2,543	195	885	11	1,091	1,000	2,091
1920	3,405	22	3,427	629	1,579	24	2,232	957	3,189
1921	2,763	116	2,879	494	1,381	26	1,901	1,061	2,962
1922	3,353	109	3,462	645	1,896	52	2,593	1,074	3,667
1923	3,580	61	3,641	851	2,086	53	2,990	1,060	4,050
1924	3,199	92	3,291	1,104	1,558	53	2,715	821	3,536
1925	3,559	95	3,634	762	2,024	35	2,821	975	3,796

FOREIGN COUNTRIES TO WHICH INDIAN YARNS HAVE BEEN EXPORTED FROM BOMBAY SINCE 1920-1921.

(From Government Returns.) *Years ending 31st March.*

IN LAKHS OF LBS. (000's omitted.)

TO	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.
BRITISH EMPIRE.					
United Kingdom	6·47	·63	1·44	8·48	5·06
Malta and Gozo	..	·08	0·31	·33	1·18
Cyprus	2·90	2·32	2·76	1·69	3·55
Crete	..	..	..	..	·2
Palestine	..	·08	.12	·12	·74
Aden and Dependencies	25·79	25·91	27.22	22·45	28·53
Mesopotamia	..	10·23	9·86	8·32	9·21
Bahrein Islands	3·01	1·69	2·63	2·09	2·26
Ceylon	1·82	1·39	·87	·82	·9
Straits Settlements (including Labuan)	32·84	25·53	16·02	13·88	8·1
Hong Kong	380·64	434·95	381·47	196·54	141·28
Egypt	33·81	46·74	36·62	45·53	66·66
Zanzibar and Pemba	·58	·40	·65	·32	·9
Kenya Colony (formerly known as East African Protectorate)	·17	·21	·19	·27	·36
*Tanganika Territory	..	·02	·01	·02	·05
Somaliland Protectorate	..	..	·03	..	..
Anglo-Egyptain Sudan	..	·03	·02	·01	..
Mauritius and Dependencies	..	..	·01	·01	·01
Gibraltar	..	..	..	..	..
Maldives	..	..	..	..	..
Natal	..	·14	..	..	·02
New South Wales	·15	·02	..	·08	·07
FOREIGN COUNTRIES.					
Norway	..	..	..	..	·01
Germany	·25	..	·06	·08	..
Belguim	..	..	·02	..	·04
France	..	·03	..	..	..
Italy	..	..	·06	·41	·26
Bulgaria	..	..	..	1·78	·61
Greece	·43	·74	·46	1·49	6·82
Roumania	..	..	..	·10	·15
Serberoat Slovene State (Jugo Slovia)	..	·20	·20	·07	·44
Austria	..	..	..	..	·2
Turkey—European	1·29	..	..	4·44	3·64
Turkey, Asiatic	..	..	..	·43	·5
Turkey, Asiatic—Levant & Black Sea	10·79	..	..	..	..
Do. Red Sea	·33	..	..	..	..
Do. Persian Gulf*	15·32	..	..	..	..
Syria	..	11·50	16·80	21·33	23·76
Smyrna	..	·37	·20	1·35	4·33
Muscat Territory & Trucialoman	1·82	2·07	1·56	1·37	·92
Other Native States in Arabia	·53	1·29	·83	·49	1·02
Persia	26·77	32·49	21·77	23·14	32·27
Sumatra	·20	..	..	..	..
Java	8·08	1·69	·31	·81	·56
Celebes and other Islands	..	..	·36	·49	·62
Siam	7·89	17·57	11·86	12·28	14·28
Philippines Islands and Guana	·26	·66	·15	·22	·38
China exclusive of (Hong kong & Macao)	215·84	160·88	22·13	6·60	..
Japan	..	2·54	..	..	..
Tripoly	..	·66	..	..	..
Portuguese East Africa	..	·03	..	..	..
Reunion	·01	..	..	..	..
German East Africa †	·02	..	..	..	..
Italian East Africa (Somaliland & Eritrea)	·79	·57	2·92	1·40	·98
French Somaliland	·28	..	..	..	..
Other Foreign Countries	..	..	..	.13	·19
Total	779·08	783·66	559·92	379·37	360·60
Value Rupees	943·76	745·24	537·76	359·80	364·99

* Shown under British Empire as Mesopotamia since 1921-22.

† Do. Do. Tanganika Territory since 1921-22.

FOREIGN COUNTRIES TO WHICH GREY COTTON PIECE-GOODS OF INDIAN MANUFACTURE HAVE BEEN EXPORTED FROM BOMBAY SINCE 1920-1921.

(From Government Returns.) *Years ending 31st March.*

IN LAKHS OF YARDS (000's omitted.)

TO	1920-21	1921-22	1922-23	1923-24	1924-25
BRITISH EMPIRE.					
United Kingdom	·03	·01	·03	..	2·68
Aden and Dependencies	126·14	32·28	22·90	24·15	19·94
Mesopotamia	..	16·92	57·66	96·18	130·90
Bahrein Islands	3·10	3·64	8·84	4·77	6·90
Ceylon	3·53	1·14	1·27	1·57	2·27
Straits Settlements (including Labuan)	9·86	1·30	·49	·82	·27
Federated Malay States	..	..	..	..	..
Hong Kong	·60	..	..	·01	..
Egypt	26·08	·72	·49	2·35	1·05
Natal	·82	4·93	·51	1·36	·52
Nyasaland	..	..	..	..	..
Zanzibar and Pemba	24·59	14·58	22·52	17·01	20.46
Kenya Colony (formerly known as East African Protectorate)	66·71	41·42	43·13	29·17	41·85
Tanganika Territory	..	19·85	23·42	27·80	49·76
Somaliland Protectorate	..	..	·19	..	..
Anglo-Egyptian Sudan	..	14·37	18·23	10·51	14·77
Mauritius and Dependencies	11·19	7·43	7·58	5·82	4·73
Seychelles	1·27	·59	·42	·46	·87
Australia	·10	..	..	..	..
Federated Malay States	..	..	..	..	·03
Other countries in Br. Empire	..	..	..	..	·01
FOREIGN COUNTRIES.					
Greece	..	..	..	..	·32
Turkey, European	·69	..	..	..	..
Syria	..	1·64	..	2·09	·37
Turkey, Asiatic—Levant and Black Sea	·16	..	..	..	..
Do. Red Sea	4·30	..	..	..	..
Do. Persian Gulf †	61·42	..	..	..	..
Muscat Territory and Trucialoman	5·45	3·17	4·94	3·84	3·5
Other Native States in Arabia	2·82	2·42	2·73	3·92	2·2
Persia	26·91	13·84	26·39	29·43	55·49
Java	·60	·04	·01	·01	·01
Siam	22·26	16·87	5·91	1·32	4·3
China (exclusive of Hong Kong and Macao)	..	·08	·01	..	..
Japan	..	..	..	..	..
Portuguese East Africa	32·07	35·98	55·38	60·54	60·53
Madagascar	·74	..	..	·01	..
Re-Union	·29	..	..	..	..
German East Africa*	28·41	..	..	..	..
Italian East Africa (Somaliland and Eritrea)	13·02	4·73	2·41	7·46	7·31
French Somaliland	..	..	..	..	..
Other Foreign Countries	..	..	..	·28	·01
Total Yards	473·16	237·95	305·46	330·88	437·18
Value Rupees	216·13	96·20	111·44	106·42	130·70

† Shown under British Empire as Mesopotamia since 1921-22.

* Do. Do. Tanganika Territory since 1921-22.

EXPORTS OF INDIAN MANUFACTURED YARN TO BRITISH AND FOREIGN COUNTRIES FROM INDIA DURING THE OFFICIAL YEARS 1923-24 AND 1924-25.

Twist and Yarn.	1923-24.		1924-25.	
	Weight.	Value.	Weight.	Value.
	lbs.	Rs.	lbs.	Rs.
Grey, Nos. 1 to 30	2,79,77,891	2,71,39,064	2,61,87,641	2,65,76,968
Do. do. 31 to 40—				
Aden and Dependencies	5,200	9,200	5,300	8,850
Ceylon	2,210	3,518	4,400	6,850
Straits Settlements (including Labuan) ..	11,700	16,800	4,000	4,900
Hongkong	....	....	....	....
Other British Possessions	58	100	3,650	4,740
Turkey—Asiatic	....	....	....	....
Levant and Black Sea	....	....	....	....
Persian Gulf	....	....	....	....
Muscat Territory and Trucial Oman ..	....	....	....	....
Persia	500	700	800	1,200
Siam	30,800	40,050	83,200	89,000
Philippine Islands and Gaum	....	....	....	....
China (exclusive of Hongkong and Macao)	2,03,770	2,62,910	....	....
Portuguese East Africa	....	....	....	....
Italian East Africa (Somaliland and Eritrea)	1,000	1,800	....	....
Total ..	2,55,238	3,35,078	1,01,320	1,15,540
Grey above Nos. 40—				
United Kingdom	....	....	10,000	9,100
Aden and Dependencies	800	1,200	6,900	10,900
Ceylon	....	....	....	....
Other British Possessions	....	....	....	....
Persia	100	225	....	....
China (exclusive of Hongkong and Macao)	....	....	....	....
Total ..	900	1,425	16,900	20,000
Grey two folds (doubles)—				
United Kingdom	6,79,740	6,04,398	3,37,154	3,27,838
Malta and Gozo	7,200	5,669	14,000	12,987
Cyprus	54,800	47,178	88,800	87,732
Palestine	....	....	4,500	4,681
Aden and Dependencies	1,03,000	1,00,579	1,92,200	2,03,802
Mesopotamia *	70,400	54,574	49,000	55,216
Bahrein Islands	....	....	....	....
Ceylon	5,495	5,919	7,010	9,199
Straits Settlements (including Labuan) ..	70,400	71,025	20,000	31,906
Hongkong	52,50,400	42,92,325	51,19,200	48,46,624
Egypt	....	....	....	....
Natal	....	....	2,000	3,000
Zanzibar and Pemba	....	....	400	500
New South Wales	8,000	5,250	7,200	5,900
Australian Commonwealth (Total) ..	8,000	5,250	7,200	5,900
Germany	8,000	5,450	....	....
Italy	41,200	34,125	19,600	19,800
Bulgaria	1,54,400	1,32,643	48,400	45,200
Austria	....	....	9,600	10,300
Roumania	6,000	5,650	15,200	14,700
Greece	20,000	14,721	1,31,200	1,11,608
Serb-Croat Slovene State	....	....	8,000	8,125
Crete	....	....	2,000	1,544
Turkey—European	3,32,800	2,63,061	1,60,400	1,58,281
Turkey—Asiatic	42,800	36,900	....	....
Syria	1,02,800	98,736	72,800	75,300
Smyrna	83,200	70,294	2,86,400	2,50,017
Persia	51,600	57,300	40,100	53,781
Java	20,000	21,562	13,200	12,159
Indo-China	....	....	2,400	3,000
Celebes & other Islands	....	....	2,800	2,781
Siam	....	....	1,23,400	1,41,600
Philippine Islands and Guam	4,000	6,656	6,000	10,812
China (exclusive of Hongkong and Macao)	2,84,800	2,59,368	1,74,000	2,15,884
Egypt †	13,11,400	10,52,420	13,95,000	13,57,022
Other Foreign Countries	....	....	....	....
Total ..	87,12,435	72,45,803	83,55,864	80,84,886
White, Bleached—				
Palestine	....	....	....	....
Aden and Dependencies	2,20,090	2,70,100	1,87,500	2,18,745
Mesopotamia *	1,20,336	1,22,762	1,15,200	1,24,147
Ceylon	1,380	1,739	7,257	7,573
Straits Settlements (including Labuan) ..	336	200	....	....
Egypt	....	....	....	....
Other British Possessions	600	575	....	....
Egypt †	7,48,100	8,03,502	8,29,600	8,88,691

* Included in Turkey—Asiatic prior to 1921-22.

Shown as a Foreign Country from 1923-24.

EXPORTS OF INDIAN MANUFACTURED YARN TO BRITISH AND FOREIGN COUNTRIES FROM INDIA DURING THE OFFICIAL YEARS 1923-24 AND 1924-25—*continued.*

Twist and Yarn.	1923-24.		1924-25.	
	Weight.	Value.	Weight.	Value.
	lbs.	Rs.	lbs.	Rs.
White, Bleached—*contd.*				
Greece	....	....	....	....
Turkey—Asiatic	....	....	....	....
Syria	46,800	49,100	1,03,200	1,10,966
Muscat Territory and Trucial Oman	3,600	5,400	300	450
Other Native States in Arabia	....	....	....	....
China (Exclusive of Hongkong and Macao)	....	....	33,200	40,695
Persia	18,600	30,700	....	....
Italian East Africa (Somaliland and Eritrea)	9,800	12,250	4,700	6,850
Siam	400	400	....	....
Other Foreign Countries	....	....	50	100
Total	1,170,042	12,96,728	12,81,007	1,39,821
Orange, Red & other Colours, Nos. 1 to 20—				
Aden and Dependencies	94,600	1,35,423	1,16,320	1,61,975
Mesopotamia *	....	....	4,800	5,000
Bahrein Islands	1,000	1,250	300	375
Ceylon	63,750	84,571	45,210	58,874
Straits Settlements (including Labuan)	7,200	7,200	21,610	28,565
Egypt	....	....	....	....
Zanzibar and Pemba	2,635	3,737	1,400	2,100
Kenya Colony	1,250	2,400	....	....
Anglo-Egyptian Sudan	300	700	....	....
Other British Possessions	....	....	....	....
Muscat Territory and Trucial Oman	15,500	22,750	32,760	49,852
Other Native States in Arabia	3,500	5,200	2,900	5,000
Persia	10,700	16,400	11,300	19,650
Henjim Island	....	....	9,100	14,775
Celebes and other Islands	3,000	4,500	....	....
Java	2,650	4,662	1,600	2,800
Siam	1,500	2,250	....	....
Philippine Islands and Guam	....	....	6,000	10,406
Italian East Africa (Somaliland & Eritrea)	1,200	2,400	1,500	1,875
Other Foreign Countries	....	....	400	525
Total	2,08,785	2,93,443	2,55,200	3,61,772
Orange, Red & other Colours, Nos. 21 to 40				
Aden and Dependencies	24,650	44,800	33,400	58,800
Ceylon	....	....	8,250	13,973
Zanzibar and Pemba	....	....	1,200	2,400
Other British Possessions	50	90	....	....
Muscat Territory and Trucial Oman	300	525	10,450	16,900
Other Native States in Arabia	....	....	....	....
Persia	8,300	16,200	5,160	8,205
Celebes and other Islands	....	....	....	....
Siam	....	....	....	....
Philippine Islands and Guam	....	....	....	....
Italian East Africa (Somaliland & Eritrea)	1,100	1,600	1,110	2,400
Total	34,400	63,215	59,570	1,02,678
Orange, Red and other Colours, above No. 40—				
British Empire	....	....	....	....
Total	....	....	....	....
Orange, Red and other Colours, two folds (doubles)—				
United Kingdom	....	....	1,556	5,050
Aden and Dependencies	....	....	27,300	33,989
Ceylon	....	....	....	....
Straits Settlements (including Labuan)	77,700	1,29,779	....	....
Hongkong	....	....	1,20,000	1,20,000
Egypt †	5,000	7,484	6,000	6,000
Java	16,750	26,597	25,710	44,817
Turkey European	....	....	20,000	27,500
Smyrna	....	....	3,800	4,215
Persia	....	....	7,600	15,200
Philippine Islands and Guam	18,000	29,893	26,000	45,439
Other Foreign Countries	....	....	....	....
Total	1,17,450	1,93,753	2,37,966	3,02,210
Unspecified Descriptions of Twist and Yarn—				
United Kingdom	....	....	3,280	1,760
Ceylon	53,107	53,157	33,399	47,317
Other British Possessions	....	....	55	90
China (exclusive of Hongkong and Macao)	1,400	300	....	....
Japan	....	....	....	....
Other Foreign Countries	....	....	....	....
Total	54,507	53,457	36,734	49,167
Grand Total, Twist and Yarn	3,85,31,288	3,66,21,966	3,65,32,102	3,70,11,438

* Included in Turkey—Asiatic prior to 1921-22.
† Shown as a foreign country from 1923-24.

STATISTICS OF COTTON SPINNING AND WEAVING IN THE INDIAN MILLS in the twelve months, April 1925 to March 1926, compared with the corresponding periods of 1923-24 and 1924-25.

No. 1.—ABSTRACT STATEMENT of the QUANTITY (in pounds) of YARN Spun.

[NOTE.—The statistics of yarn represent the quantities of all yarn actually spun in the mills whether they are subsequently woven in the mills or not.]

	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
British India.			
Bombay	398,552,023	474,292,059	423,450,896
Madras	50,938,954	54,221,060	57,836,673
Bengal	26,104,621	25,672,310	24,122,721
United Provinces	51,992,984	56,323,499	60,293,876
Ajmer-Merwara	2,981,474	3,260,241	4,545,208
Punjab	1,264,236	1,760,787	2,944,650
Delhi	5,188,985	6,448,438	8,060,573
Central Provinces and Berar	32,258,371	38,116,287	40,428,204
Burma	843,275	1,067,012	1,688,070
TOTAL ..	570,124,923	661,161,693	673,370,871
Foreign Territory.			
Indian States of Indore, Mysore, Baroda, Nandgaon, Bhavnagar, Hyderabad, Wadhwan, Gwalior (Ujjain), Kishangarh and Pondicherry (*a*)	47,203,709	58,228,301	63,056,608
GRAND TOTAL ..	617,328,632	719,389,994	686,427,479

(*a*) Including the production of one mill only.

No. 2.—ABSTRACT STATEMENT of the QUANTITY of WOVEN GOODS Produced.

[NOTE.—The weight in pounds represents the weight of all woven goods ; the measure in yards relates only to grey and coloured piece-goods, and is estimated from the poundage on a conventional basis ; the figures in dozens relate to grey and coloured goods other than piece-goods, and to hosiery, the weight of these being estimated mainly on a conventional basis and included in the poundage.

		Twelve Months, April to March.		
		1923-24.	1924-25.	1925-26.
British India.				
Bombay	pounds.	307,915,375	347,672,537	342,030,412
	yards.	1,364,539,530	1,564,900,621	1,510,385,860
	dozens.	500,712	579,884	885,931
Madras	pounds.	16,571,154	17,493,599	16,934,416
	yards.	55,147,117	56,703,297	54,657,281
	dozens	103,810	116,012	139,678
Bengal	pounds.	4,738,785	5,389,430	8,708,196
	yards.	21,644,337	24,698,497	36,966,122
	dozens.	35,912	49,474	80,277
United Provinces	pounds.	14,026,011	16,087,918	18,478,741
	yards.	45,702,125	55,616,582	64,704,588
	dozens.	37,403	40,632	48,280
Ajmer-Merwara	pounds.	2,031,374	2,287,955	3,447,588
	yards.	7,798,373	8,770,684	12,780,559
	dozens.	168	159	68
Punjab	pounds.	564,292	512,051	1,177,942
	yards.	1,646,378	1,816,959	3,988,838
	dozens.	....	....	....
Delhi	pounds.	3,613,654	4,876,011	6,540,418
	yards.	10,296,731	14,510,867	19,628,266
	dozens.	104	927	4,104
Central Provinces and Berar	pounds.	15,547,116	19,448,463	19,464,296
	yards.	57,016,712	72,630,086	71,270,288
	dozens.	13,149	19,117	27,230
TOTAL ..	pounds.	365,007,761	413,767,964	416,782,009
	yards.	1,563,791,303	1,799,64.,593	1,774,381,802
	dozens.	691,258	806,205	1,185,568
Foreign Territory.				
Indian States of Indore, Mysore, Baroda, Nandgaon, Bhavnagar, Hyderabad, Wadhwan, Gwalior (Ujjain), and Pondicherry (*a*)	pounds.	36,653,197	45,071,681	48,257,060
	yards.	137,783,052	170,751,645	180,078,865
	dozens.	67,588	81,633	86,782
GRAND TOTAL ..	pounds.	401,660,958	458,839,645	465,039,069
	yards.	1,701,574,355	1,970,399,238	1,954,460,667
	dozens.	758,846	887,838	1,272,350

(*a*) Including the production of one mill only.

No. 3.—*DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun.*

BOMBAY PRESIDENCY.

Count or Number.	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
1	3,348,515	5,516,449	3,956,388
2	3,364,685	4,712,547	4,916,762
3	2,640,972	2,470,230	1,744,347
4	4,175,623	5,537,866	6,018,732
5	253,338	230,810	238,008
6	6,593,662	8,028,685	7,085,220
7	11,179,960	11,032,514	11,610,318
8	6,630,241	8,524,103	6,587,193
9	8,719,568	7,862,210	8,692,321
10	16,234,391	15,028,937	15,487,708
Total, Nos. 1 to 10.	63,190,955	68,944,351	66,336,997
11	13,007,022	17,504,579	11,412,499
12	19,039,106	20,845,029	15,567,474
13	15,401,547	16,196,585	15,992,788
14	12,358,613	14,952,706	11,346,240
15	7,037,539	7,223,593	7,739,512
16	12,274,196	14,143,092	13,620,473
17	2,822,966	5,827,346	4,085,997
18	12,913,423	15,799,433	12,281,729
19	4,687,451	3,332,509	2,579,582
20	87,451,896	110,417,195	102,539,050
Total, Nos. 11 to 20.	188,043,759	226,242,067	197,165,334
21	30,469,424	38,233,475	33,055,446
22	25,502,562	30,634,358	24,981,405
23	2,688,719	3,576,431	3,019,092
24	29,918,151	35,334,898	26,934,595
25	677,052	788,168	1,167,820
26	7,674,940	9,932,308	7,451,772
27	3,315,354	3,801,453	4,140,713
28	5,301,873	7,455,957	8,693,187
29	1,927,506	1,809,179	814,509
30	23,733,052	27,485,921	30,024,140
Total, Nos. 21 to 30.	131,208,633	159,052,148	140,332,679
31	293,149	606,852	1,141,647
32	6,011,091	6,351,819	5,034,609
33	37,066	595,511	857,617
34	873,905	867,443	887,932
35	73,184	7,223	152,093
36	816,770	826,115	663,546
37	....	38,251	212
38	156,925	162,866	346,734
39	7,561	63,727	....
40	4,860,004	4,986,884	4,491,763
Total, Nos. 31 to 40.	13,129,655	14,506,691	13,576,153
Above 40.	2,799,336	5,351,261	5,421,945
Wastes, etc.	179,685	195,541	617,788
Grand Total ..	398,552,023	474,292,059	423,450,896

BOMBAY ISLAND.

Count or Numbers.	Twelve Months, April to March.		
	1923-24	1924-25	1925-26.
1	3,269,532	5,241,412	3,611,637
2	2,839,004	3,580,995	3,776,091
3	2,359,231	2,340,678	1,603,902
4	3,510,881	4,225,862	4,568,186
5	243,718	227,496	235,041
6	6,306,809	7,741,278	6,598,894
7	10,059,125	10,155,557	10,653,565
8	6,402,871	8,335,595	6,358,716
9	6,911,042	5,901,454	6,743,965
10	14,220,540	13,413,238	12,831,445
Total, Nos. 1 to 10	53,122,753	61,163,565	56,981,442
11	11,504,231	16,004,873	8,890,806
12	17,045,964	18,804,856	13,164,917
13	13,088,795	12,112,968	11,778,658
14	10,630,310	13,104,163	8,947,745
15	5,409,729	6,583,503	6,590,375
16	8,638,205	9,853,205	8,868,525
17	1,950,345	5,095,167	3,482,803
18	9,827,231	13,055,958	9,695,402
19	577,578	1,100,866	1,033,243
20	47,237,432	60,434,229	44,505,991
Total, Nos. 11 to 20	125,909,820	156,149,723	116,958,465
21	22,783,414	27,207,734	21,236,607
22	16,874,310	21,910,544	18,465,725
23	1,641,889	1,217,298	849,525
24	22,481,033	29,541,265	21,875,867
25	388,803	447,711	999,364
26	3,752,250	4,458,803	3,267,299
27	2,352,147	2,708 238	2,766,317
28	2,953,217	4,246,583	3,543,278
29	167,143	308,353	499,771
30	6,143,870	6,908,149	5,610,453
Total, Nos. 21 to 30.	79,538,076	98,954,678	79,114,206
31	92,466	273,385	187,723
32	2,455,926	3,541,912	2,132,639
33	28,002	246,959	419,771
34	549,189	567,876	496,383
35	56,533	2,183	35,476
36	708,966	775,300	563,061
37	....	37,752	....
38	96,094	4,633	26,722
9	....	....	....
40	2,617,650	2,511,384	2,023,115
Total, Nos. 31 to 40	6,604,846	7,961,384	5,885,390
Above 40	1,337,956	3,212,045	2,503,388
Wastes, etc.	73,132	101,361	519,627
Grand Total ..	269,586,583	327,542,756	261,962,518

Note.—The suburb of Coorla, in the Thana district, is treated for statistical purposes as part of the Island of Bombay.

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued.

AHMEDABAD.

Count or Number	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26
1	14,045	121,277	168,533
2	35,178	138,678	154,657
3	69,853	....	....
4	369,763	959,112	1,098,614
5	9,620	....	....
6	26,801	22,312	34,516
7	183,200	286,104	341,607
8	20,201	674	16,377
9	570,317	615,130	389,038
10	593,352	259,549	812,290
Total, Nos. 1 to 10.	1,892,330	2,393,836	3,015,632
11	225,861	214,569	143,835
12	618,278	525,658	957,714
13	1,278,666	2,017,645	1,886,049
14	386,982	468 668	604,016
15	721,615	177,957	714,616
16	269,176	702 272	829,448
17	333,520	403,184	251,472
18	1,849,651	1,487,906	1,122,950
19	3,661,723	1,997,863	1,316,482
20	21,991,725	29,268,131	36,956,307
Total, Nos. 11 to 20	31,387,197	37,263,853	44,782,933
21	5,363,013	9,044,623	9,168,117
22	6,292,784	5,470,537	4,227,870
23	1,011,275	2,302,133	2,151,109
24	2,825,543	2,623,607	1,653,452
25	113,278	267,366	113,712
26	3,502,243	3,799,919	2,271,084
27	862,681	1,002,755	1,083,562
28	2,067,344	3,039,949	4,637,415
29	1,727,800	1,449,424	298,048
30	12,671,029	16,802,689	21,416,117
Total, Nos. 21 to 30.	36,436,990	45,803,002	47,050,486
31	191,211	215,005	700,825
32	2,950,511	2,165,249	2,061,671
33	2,606	348,552	437,846
34	233,717	263,281	389,899
35	16,631	5,040	116,535
36	56,424	49,962	100,215
37	....	57	212
38	10,307	125,929	262,747
39	4,908	63,461	....
40	1,413,882	1,713,149	1,695,538
Total, Nos. 31 to 40.	4,880,197	4,949,685	5,765,488
Above 40.	1,004,832	1,595,849	2,126,152
Wastes, etc.	709	416	....
Grand Total ..	75,602,255	92,006,641	102,740,694

MADRAS.

Count or Number.	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
1	....	....	....
2	365,277	373,131	381,989
3	....	....	....
4	182,551	170,115	321,331
5	....	3,182	3,368
6	681,798	603,419	594,131
7	674,701	911,128	948,513
8	521,291	436,134	423,271
9	146,388	92,023	212,532
10	671,947	610,086	697,112
Total, Nos. 1 to 10.	3,243,953	3,199,218	3,582,247
11	1,722,033	1,360,116	1,330,257
12	1,399,629	1,199,983	1,265,446
13	548,907	723,527	331,945
14	1,335,305	709,900	576,801
15	2 146,689	3,031,116	3,816,534
16	651,416	274,196	349,261
17	1,711,088	856,133	769,597
18	863,256	1,203,892	827,629
19	3,873,808	4,105,009	4,013,509
20	7,297,004	8,838,603	9,775,855
Total, Nos. 11 to 20	21,609,135	22,302,475	23,056,834
21	5,885,347	7,725,816	8,056,095
22	1,934,105	2,954,478	3,836,905
23	826,395	1,149,916	992,134
24	5,940,505	6,461,952	6,763,458
25	61,683	13,727	124,338
26	2,292,661	2,828,343	2,459,171
27	....	86,921	8,160
28	1,651,518	2,353,207	2,486,721
29	....	....	....
30	2,812,171	2,125,114	1,734,120
Total, Nos. 21 to 30.	21,404,385	25,699,474	26,461,102
31	....	....	....
32	3,681,900	1,969,207	2,577,144
33	....	....	....
34	....	46,953	10,753
35	....	....	....
36	1,150	26,816	....
37	....	....	....
38	23	....	....
39	25,050	43,609	....
40	747,076	761,402	891,305
Total, Nos. 31 to 40	4,455,199	2,847,987	3,479,202
Above 40.	226,282	170,081	120,796
Wastes, etc.	....	1,825	396,236
Grand Total ..	50,938,954	54,221,060	57,836,673†

†Includes 740,256 lbs. for which details are not available.

No. 3—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued.

UNITED PROVINCES.

Count or Number.	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
1	....	....	....
2	....	...	28,990
3	7,480	....	26
4	920,825	546,881	656,916
5	1,356,206	1,648,246	1,179,543
6	75,993	494,567	754,928
7	1,493,444	1,741,067	2,168,125
8	54	110,543	20,156
9	388,525	116,943	542,746
10	738,444	793,612	828,412
Total, Nos. 1 to 10	4,980,971	5,451,859	6,179,842
11	10,855,640	9,884,874	12,150,648
12	2,052,374	3,275,813	3,188,887
13	2,763,912	2,925,082	3,112,317
14	6,165,597	6,719,791	6,802,311
15	1,303,134	1,068,738	984,722
16	4,842,119	4,880,302	4,699,713
17	6,825,776	6,789,534	7,695,225
18	2,436,980	3,505,963	4,068,941
19	3,848,268	3,070,601	1,651,762
20	905,942	863,218	667,363
Total, Nos. 11 to 20.	41,999,742	42,983,916	45,021,919
21	948,683	1,526,479	1,103,462
22	1,586,550	2,389,278	2,233,346
23	625,473	763,360	1,416,583
24	700,777	1,820,879	2,370,634
25	....	59,952	....
26	471,499	555,088	1,164,179
27	....	....	....
28	46,401	46,423	32,341
29	....	....	....
30	161,048	234,737	337,466
Total, Nos. 21 to 30.	4,540,431	7,396,196	8,708,011
31	....	....	....
32	28,369	17,083	44,843
33	....	....	....
34	....	791	346
35	....	....	....
36	37,548	31,209	182,047
37	....	....	....
38	....	....	....
39	....	....	....
40	164,316	220,575	4,934
Total, Nos. 31 to 40.	230,233	269,658	232,170
Above 40.	97,691	163,312	89,840
Wastes, etc.	143,916	58,558	62,094
Grand Total ..	51,992,984	53,323,499	60,293,876

BENGAL.

Count or Number.	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
1	....	....	....
2	264,567	301,168	348,872
3	27,347	17,498	24,971
4	....	228	....
5	....	....	....
6	50,158	28,115	35,563
7	174,152	407,957	458,662
8	122,076	85,641	49,332
9	397,283	473,036	264,214
10	338,210	483,234	387,057
Total, Nos. 1 to 10	1,373,793	1,796,877	1,568,671
11	3,191,245	3,312,837	2,768,730
12	1,238,689	1,128,060	1,094,590
13	1,796,975	1,517,281	1,197,867
14	830,495	1,024,062	814,723
15	3,174,026	2,622,181	2,028,849
16	2,405,075	2,225,252	2,118,945
17	2,479,909	2,448,809	2,185,867
18	87,304	88,794	103,422
19	1,167,757	1,354,141	1,354,966
20	1,445,691	1,486,532	1,047,534
Total, Nos. 11 to 20	17,817,166	17,207,949	14,715,493
21	1,525,746	856,032	2,389,386
22	2,957,573	2,110,882	2,349,696
23	139,700	29,675	250,452
24	904,177	2,216,458	1,044,534
25	559	10,457	3,326
26	221,886	510,821	216,349
27	69,447	....	2,954
28	....	....	175,222
29	....	....	....
30	224,849	566,621	959,272
Total, Nos. 21 to 30.	6,043,937	6,300,946	7,391,191
31	11,986	....	....
32	63,924	212,942	391,517
33	9,156	....	....
34	612,857	100,380	61
35	....	....	....
36	....	....	233
37	....	....	....
38	....	....	....
39	....	....	....
40	133,322	37,540	24,990
Total, Nos. 31 to 40.	831,245	350,862	416,801
Above 40.	38,480	15,676	39,565
Wastes, etc.	....	....	....
Grand Total ..	26,104,621	25,672,310	2,412,272

No. 3.—*DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun*—continued.

AJMER-MERWARA.

Count or Number.	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
1	....	....	....
2	....	....	....
3	....	....	....
4	....	....	....
5	....	....	....
6	....	....	837
7	....	3,262	55,193
8	203,243	234,687	215,621
9	25,026	247,880	664,104
10	423,761	237,936	301,223
Total, Nos. 1 to 10.	652,030	723,765	1,236,978
11	34,964	57,489	124,973
12	313,600	270,627	399,780
13	199,444	315,071	419,375
14	636,677	487,549	488,744
15	97,669	6,159	1,505
16	408,460	345,681	282,027
17	8,949	3,990	....
18	287	....	....
19	....	....	....
20	352,719	596,220	927,465
Total, Nos. 11 to 20	2,052,769	2,082,786	2,643,869
21	19,279	43,964	30,647
22	25,264	8,754	....
23	....	2,275	....
24	....	....	53
25	....	....	....
26	1,011	....	2,033
27	....	....	....
28	....	....	....
29	....	....	....
30	221,533	390,937	625,660
Total, Nos. 21 to 30.	267,087	445,930	658,393
31	....	....	....
32	....	....	....
33	....	....	....
34	....	....	106
35	....	....	....
36	....	....	20
37	....	....	....
38	....	....	....
39	....	....	....
40	9,588	7,760	3,535
Total, Nos. 31 to 40.	9,588	7,760	3,661
Above 40	....	....	1,689
Wastes, etc.	....	....	618
Grand Total	2,981,474	3,260,241	4,545,208

PUNJAB.

Count or Number.	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
1	....	....	....
2	....	....	....
3	....	....	....
4	....	....	....
5	....	....	....
6	1,935	....	....
7	20,572	....	....
8	....	....	32,099
9	26,268	33,693	290,401
10	....	34,087	46,843
Total, Nos. 1 to 10.	48,775	67,780	369,343
11	350,385	662,388	791,566
12	38,744	14,402	59,918
13	386,280	286,692	728,462
14	193,955	190,775	206,690
15	142,000	61,867	320
16	....	32,621	32,922
17	47,154	6,894	2,627
18	....	....	521
19	....	....	63,491
20	37,141	280,009	501,131
Total, Nos. 11 to 20.	1,195,659	1,535,648	2,387,648
21	....	....	....
22	....	....	52,573
23	....	....	....
24	....	75,170	1,343
25	....	32,322	....
26	19,802	35,434	108,284
27	....	....	....
28	....	....	....
29	....	....	....
30	....	14,433	24,349
Total, Nos. 21 to 30.	19,802	157,359	186,549
31	....	....	1,110
32	....	....	....
33	....	....	....
34	....	....	....
35	....	....	....
36	....	....	....
37	....	....	....
38	....	....	....
39	....	....	....
40	....	....	....
Total, Nos. 31 to 40.	....	....	1,110
Above 40.	....	....	....
Wastes, etc.	....	....	....
Grand Total	1,264,236	1,760,787	2,944,650

No. 3.—*DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun*—continued.

DELHI.

Count or Number.	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
1	....	....	....
2	....	226,591	263,017
3	....	....	....
4	....	1,569	....
5	....	....	....
6	4,988	....	....
7	....	5,431	3,978
8	45,639	49,066	100,316
9	61,563	59,695	97,822
10	170,307	100,997	756,9.1
Total, Nos 1 to 10	282,497	443,349	1,222,044
11	1,711,725	2,041,245	2,109,'65
12	5,601	22,746	460,716
13	744,429	1,420,492	1,622,632
14	1,286,351	91,897	150,475
15	942,123	854,283	645,466
16	149,192	1,004,038	992,070
17	15,264	134,032	64,332
18	....	3,753	106,149
19	....	6,266	20,144
20	38,136	271,888	314,745
Total, Nos. 11 to 20	4,892,821	5,850,640	6,485,794
21	4,884	2,978	359
22	....	....	27,477
23	....	....	....
24	....	....	52,574
25	....	....	12,927
26	848	....	91,478
27	....	....	....
28	....	....	28,347
29	....	....	....
30	7,935	151,471	74,954
Total, Nos. 21 to 30	13,667	154,449	288,116
31	....	....	....
32	....	....	....
33	....	....	....
34	....	....	....
35	....	....	....
36	....	....	334
37	....	....	....
38	....	....	....
39	....	....	...
40	....	....	....
Total, Nos. 31 to 40	....	....	334
Above 40.	....	....	....
Wastes, etc.	....	....	....
Grand Total ..	5,188,985	6,448,438	8,060,573*

CENTRAL PROVINCES & BERAR.

Count or Number.	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
1	154,305	290,579	52,629
2	304,388	413,572	656,243
3	6,128	16,398	4,729
4	341,794	267,929	430,898
5	403	887	924
6	279,260	218,834	320,686
7	2,155,343	2,328,053	2,892,876
8	274,653	145,440	210,017
9	1,959,047	2,358,887	3,365,549
10	874,227	837,235	883,179
Total, Nos. 1 to 10.	6,349,548	6,877,814	8,820,730
11	2,167,772	2,206,927	2,986,889
12	3,554,618	4,768,892	4,649,496
13	2,187,379	2,139,057	2,201,410
14	1,794,721	2,157,459	1,231,043
15	960,503	779,797	1,409,839
16	2,673,840	3,001,340	2,291,557
17	1,107,729	1,457,034	1,617,768
18	520,283	255,602	291,118
19	787,919	973,761	662,620
20	4,853,332	6,391,416	6,138,687
Total, Nos. 11 to 20.	20,608,096	24,123,285	23,480,437
21	202,359	756,403	1,053,566
22	526,610	614,389	1,361,036
23	....	6,592	379
24	2,709,583	2,769,651	2,750,506
25	48,774	415,229	148,233
26	846,161	1,157,885	1,040,552
27	....	....	....
28	188,546	140,415	252,824
29	....	....	1,617
30	198,559	280,383	336,459
Total, Nos. 21 to 30	4,720,592	6,140,947	6,945,172
31	....	....	....
32	192,278	278,062	239,220
33	....	9,303	9,838
34	254,055	471,975	439,317
35	....	....	....
36	9,354	227	13
37	....	....	5,681
38	1,059	144	5,313
39	....	....	22,253
40	30,008	31,836	67,120
Total, Nos. 31 to 40.	486,754	791,547	788,755
Above 40.	93,381	108,366	151,239
Wastes, etc.	....	74,328	241,871
Grand Total ..	32,258,371	38,116,287	40,428,204

* Includes 64,285 lbs. for which details are not available.

No. 3.—*DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun*—concluded.

BURMA.

Count or Number.	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
1	....	....	....
2	....	....	....
3	....	....	....
4	....	....	....
5	....	....	....
6	....	....	....
7	....	....	22,240
8	....	....	....
9	....	....	....
10	....	....	....
Total, Nos. 1 to 10	....	....	22,240
11	433,297	622,733	1,103,475
12	....	....	....
13	145,078	141,481	164,300
14	....	....	48,750
15	252,734	268,620	182,805
16	....	....	....
17	11,266	34,178	74,825
18	....	....	....
19	....	....	....
20	....	....	....
Total, Nos. 11 to 20	842,375	1,067,012	1,574,155
21	900	....	91,325
22	....	....	....
23	....	....	....
24	....	....	350
25	....	....	....
26	....	....	....
27	....	....	....
28	....	....	....
29	....	....	....
30	....	....	....
Total, Nos. 21 to 30	900	....	91,675
31	....	....	....
32	....	....	....
33	....	....	....
34	....	....	....
35	....	....	....
36	....	....	....
37	....	....	....
38	....	....	....
39	....	....	....
40	....	....	....
Total, Nos. 31 to 40	....	....	....
Above 40	....	....	....
Wastes, etc.	....	....	....
Grand Total	843,275	1,067,012	1,688,070

Note.—The Cotton Mills in Burma started work in May, 1923.

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—concluded.

TOTAL OF BRITISH INDIA.

Count or Number.	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
1	3,502,820	5,807,028	4,009,017
2	4,298,917	6,027,009	6,595,873
3	2,681,927	2,504,126	1,774,073
4	5,620,793	6,524,588	7,427,877
5	1,609,947	1,883,125	1,421,843
6	7,687,794	9,373,620	8,791,365
7	15,698,172	16,429,412	18,159,904
8	7,797,197	9,585,614	7,638,005
9	11,723,668	11,244,367	14,129,689
10	19,501,287	18,126,124	19,391,445
Total, Nos. 1 to 10	80,122,522	87,505,013	89,339,091
11	33,534,083	37,653,188	34,778,113
12	27,692,361	31,517,552	26,686,306
13	25,173,951	25,665,268	25,771,117
14	24,601,714	26,334,139	21,665,777
15	16,056,417	15,916,354	16,809,552
16	23,404,298	25,906,522	24,386,968
17	15,030,101	17,557,950	16,496,238
18	16,821,533	20,857,437	17,679,509
19	14,365,203	12,842,287	10,346,074
20	102,381,861	129,145,081	121,911,830
Total, Nos. 11 to 20	299,061,522	343,395,778	316,531,484
21	39,056,622	49,145,147	45,780,286
22	32,532,664	38,712,139	34,842,438
23	4,280,287	5,528,249	5,678,640
24	40,173,193	48,679,008	39,968,047
25	788,068	1,319,855	1,456,644
26	11,528,808	15,019,879	12,533,818
27	3,384,801	3,888,374	4,151,827
28	7,188,338	9,996,002	11,668,642
29	1,927,506	1,809,179	816,126
30	27,359,147	31,249,617	34,166,420
Total, Nos. 21 to 30	168,219,434	205,347,449	191,062,888
31	305,135	606,852	1,142,757
32	9,977,562	8,829,113	8,287,333
33	46,222	604,814	867,455
34	1,740,817	1,487,542	1,338,515
35	73,184	7,223	152,093
36	864,822	884,367	846,193
37	....	38,251	5,893
38	158,007	163,010	352,047
39	32,611	107,336	22,253
40	5,944,314	6,045,997	5,483,647
Total, Nos. 31 to 40	19,142,674	18,774,505	18,498,186
Above 40	3,255,170	5,808,696	5,816,074
Wastes, etc.	323,601	330,252	1,318,607
Grand Total	570,124,923	661,161,693	623,370,871*

* See notes at foot of pages 769 and 772.

No. 4.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun.

INDIAN STATES (*a*)

Count or Number.	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
1	830	201,806	91,990
2	6,082	....	....
3	256,917	276,746	373,677
4	305,681	264,050	326,953
5	136,355	28,068	16,692
6	404,071	280,074	529,606
7	1,023,514	1,266,092	1,592,574
8	145,676	280,517	491,017
9	609,853	1,024,963	1,261,696
10	1,831,782	1,668,324	1,700,399
Total, Nos. 1 to 10	4,720,761	5,290,640	6,384,604
11	1,161,389	1,018,209	1,355,408
12	1,685,882	2,045,710	1,730,821
13	450,783	502,939	657,952
14	3,742,862	5,281,941	4,591,051
15	3,715,954	4,792,606	6,021,703
16	3,677,853	3,941,746	2,662,645
17	685,111	1,186,885	751,989
18	3,466,864	3,360,974	2,245,108
19	1,070,951	1,642,069	2,061,610
20	8,347,559	9,845,741	10,414,770
Total, Nos. 11 to 20	28,005,208	33,618,820	32,493,057
21	2,289,600	4,067,964	6,598,567
22	2,753,856	2,897,989	2,777,552
23	1,169,107	1,677,644	2,192,167
24	1,499,146	2,393,854	3,014,126
25	58,149	249,920	450,812
26	1,480,874	1,845,772	2,078,577
27	1,064,267	1,007,100	1,063,580
28	1,077,782	1,542,746	1,849,278
29	534,796	583,747	613,410
30	1,830,369	2,197,878	2,087,400
Total, Nos. 21 to 30	13,757,946	18,464,614	22,725,469
31	25,183	141,591	178,106
32	96,778	101,432	684,361
33	20	....	3,043
34	140,812	201,861	19,763
35	....	....	24,613
36	11,565	8,162	51,292
37	....	....	....
38	....	....	18
39	11,543	10,192	....
40	238,323	129,965	278,101
Total, Nos. 31 to 40	524,224	593,203	1,239,297
Above 40	5,618	13,531	18,250
Wastes, etc.	189,952	247,493	195,931
Grand Total	47,203,709	58,228,301	63,056,608

(*a*) See notes at foot of Table No. 1.

No. 5.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—concluded.

GRAND TOTAL, INDIA (British India and Indian States).

Count or Number.	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
1	3,503,650	6,008,834	4,101,007
2	4,304,999	6,027,009	6,595,873
3	2,938,844	2,780,872	2,147,750
4	5,926,474	6,788,638	7,754,830
5	1,746,302	1,911,193	1,438,535
6	8,091,865	9,653,694	9,320,971
7	16,721,686	17,695,504	19,752,478
8	7,942,873	9,866,131	8,129,022
9	12,333,521	12,269,330	15,391,385
10	21,333,069	19,794,448	21,051,844
Total, Nos. 1 to 10	84,843,283	92,795,653	95,723,695
11	34,695,472	38,671,397	36,133,521
12	29,378,243	33,563,262	28,417,127
13	25,624,734	26,168,207	26,429,069
14	28,344,576	31,616,080	26,256,828
15	19,772,371	20,708,960	22,831,255
16	27,082,151	29,848,268	27,049,613
17	15,715,212	18,744,835	17,248,227
18	20,288,397	24,218,411	19,924,617
19	15,436,154	14,484,356	12,407,684
20	110,729,420	138,990,822	132,326,600
Total, Nos. 11 to 20	327,066,730	377,014,598	349,024,541
21	41,346,222	53,213,111	52,378,853
22	35,286,520	41,610,128	37,619,990
23	5,449,394	7,205,893	7,870,807
24	41,672,339	51,072,862	42,982,173
25	846,217	1,569,775	1,907,456
26	13,009,682	16,865,651	14,612 395
27	4,449,068	4,895,474	5,215,407
28	8,266,120	11,538,748	13,520,920
29	2,462,302	2,392,926	1,429,536
30	29,189,516	33,447,495	36,253,820
Total, Nos. 21 to 30	181,977,380	223,812,063	213,788,357
31	330,318	748,443	1,320,863
32	10,074,340	8,930,545	8,971,694
33	46,242	604,814	870,498
34	1,881,629	1,689,403	1,358,278
35	73,184	7,223	176,706
36	876,387	892,529	897,485
37	....	38,251	5,893
38	158,007	163,010	352,065
39	44,154	117,528	22,253
40	6,182,637	6,175,962	5,761,748
Total, Nos. 31 to 40	19,666,898	19,367,708	19,737,483
Above 40	3,260,788	5,822,227	5,834,324
Wastes, etc.	513,553	577,745	1,514,538
Grand Total	617,328,632	719,389,994	686,427,479*

* See notes at foot of pages 769 and 772.

No. 6.—*DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced.*

BOMBAY PRESIDENCY.

Description.		Twelve Months, April to March. 1923-24.	1924-25.	1925-26.
Grey and bleached piece-goods—				
Chadars	pounds	15,521,772	15,943,126	16,601,754
	yards	44,976,248	45,854,981	46,035,300
Dhutis	pounds	66,430,964	72,037,312	80,904,736
	yards	317,030,808	350,809,695	389,975,599
Drills and jeans	pounds	8,393,125	12,484,822	10,666,686
	yards	35,801,376	54,413,402	44,927,406
Cambrics and lawns	pounds	440,557	593,556	520,962
	yards	2,559,446	3,474,873	2,893,436
Printers	pounds	4,671,723	4,120,605	3,036,849
	yards	20,063,202	17,764,322	13,163,986
Shirtings and longcloth	pounds	86,979,032	100,106,957	97,737,683
	yards	389,027,995	453,320,844	431,167,508
T-cloth, domestics and sheetings	pounds	10,574,756	12,089,664	11,816,551
	yards	51,395,132	58,469,478	54,843,424
Tent cloth	pounds	942,918	2,137,598	1,575,261
	yards	2,589,664	5,563,472	3,824,301
Khadi, Dungri or Khaddar (*a*)	pounds	....	15,321,264	13,372,083
	yards	....	41,104,645	37,006,083
Other sorts	pounds	23,121,684	6,372,894	6,235,416
	yards	76,506,239	29,595,967	27,915,512
Total	pounds	217,076,531	241,207,798	242,467,981
	yards	939,950,110	1,063,371,679	1,051,752,555
Coloured piece-goods	pounds	87,795,069	102,566,184	94,545,902
	yards	424,589,420	501,528,942	458,633,305
Grey and coloured goods other than piece-goods	pounds	1,672,834	1,919,048	2,514,545
	dozens	394,018	469,131	769,433
Hosiery	pounds	180,117	185,272	242,848
	dozens	106,694	110,753	116,498
Miscellaneous	pounds	1,037,901	1,639,174	1,605,937
Cotton goods mixed with silk or wool	,,	152,923	135,061	653,199
Grand Total	pounds	307,915,375	347,672,537	342,030,412
	yards	1,364,539,530	1,564,900,621	1,510,385,860
	dozens	500,712	579,884	885,931

BOMBAY ISLAND.

Description.		Twelve Months, April to March. 1923-24.	1924-25.	1925-26.
Grey and bleached piece-goods—				
Chadars	pounds	9,049,600	9,846,500	10,408,213
	yards	24,318,253	25,734,288	26,795,034
Dhutis	pounds	19,445,677	21,115,663	21,854,701
	yards	97,624,467	110,996,543	115,412,150
Drills and jeans	pounds	7,771,330	11,311,884	9,018,280
	yards	33,293,809	49,906,678	38,407,817
Cambrics and lawns	pounds	273,166	447,042	223,443
	yards	1,559,771	2,442,682	1,449,052
Printers	pounds	65,168	33,033	238,147
	yards	280,456	164,919	1,041,540
Shirtings and longcloth	pounds	61,959,117	71,844,535	68,864,828
	yards	278,940,228	326,482,134	306,776,092
T-cloth, domestics and sheetings	pounds	8,358,453	9,692,334	8,018,751
	yards	39,457,238	45,033,825	36,194,764
Tent cloth	pounds	560,748	930,634	978,722
	yards	1,487,982	2,261,293	2,204,664
Khadi, Dungri or Khaddar (*a*)	pounds	....	10,808,805	9,723,619
	yards	....	30,573,950	27,513,538
Other sorts	pounds	15,189,164	2,794,659	2,667,206
	yards	45,896,753	11,548,972	10,302,353
Total	pounds	122,672,423	138,825,089	131,995,910
	yards	522,858,957	605,145,284	566,097,004
Coloured piece-goods	pounds	68,722,694	78,161,540	63,429,517
	yards	333,024,098	380,883,020	305,743,730
Grey and coloured goods other than piece-goods	pounds	1,585,266	1,851,483	2,409,237
	dozens	349,414	429,010	721,452
Hosiery	pounds	96,436	90,534	75,799
	dozens	81,316	83,396	72,036
Miscellaneous	pounds	990,056	1,347,738	1,281,046
Cotton goods mixed with silk or wool	,,	139,418	115,201	467,664
Grand Total	pounds	194,206,293	220,391,585	199,659,173
	yards	855,883,055	986,028,304	871,840,734
	dozens	430,730	512,406	793,488

Note.—The suburb of Coorla, in the Thana District, is treated for statistical purposes as part of the Island of Bombay.

(*a*) Separately specified with effect from April, 1924.

No. 6.—*DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced*—continued.

AHMEDABAD.

Description.		Twelve Months, April to March.		
		1923-24.	1924-25.	1925-26.
Grey and bleached piece-goods.—				
Chadars	pounds	5,167,740	4,752,163	4,826,414
	yards	17,350,368	16,272,284	15,692,438
Dhutis	pounds	35,681,304	39,536,072	47,110,779
	yards	169,913,924	189,624,778	221,272,524
Drills and jeans	pounds	305,955	267,962	666,734
	yards	1,350,489	1,113,993	2,778,128
Cambrics and lawns	pounds	94,643	122,447	219,412
	yards	598,478	894,041	1,128,191
Printers	pounds	2,857,030	2,811,764	1,883,406
	yards	11,775,345	11,647,192	7,840,944
Shirtings and longcloth	pounds	18,674,396	22,772,429	22,821,029
	yards	88,520,317	108,329,530	104,897,142
T-cloth, domestics and sheetings	pounds	2,016,041	2,159,784	3,312,412
	yards	10,896,224	12,048,985	16,125,480
Tent cloth	pounds	268,977	1,104,936	499,114
	yards	838,700	3,042,048	1,362,631
Khadi, Dungri or Khaddar (*a*)	pounds	....	3,200,746	1,099,591
	yards	....	10,046,672	2,975,868
Other sorts	pounds	4,921,097	2,346,240	2,485,601
	yards	20,235,477	12,303,889	13,142,242
Total	pounds	69,987,183	79,074,543	84,924,492
	yards	321,479,322	365,323,412	387,215,588
Coloured piece-goods	pounds	9,341,479	14,238,865	20,123,522
	yards	53,956,487	81,059,633	111,027,005
Grey and coloured goods, other than piece-goods.	pounds	9,222	9,596	13,203
	dozens	6,507	12,123	8,806
Hosiery	pounds	83,681	94,736	166,233
	dozens	25,379	27,356	44,204
Miscellaneous	pounds	47,656	262,017	276,571
Cotton goods mixed with silk or wool	,,	8,832	7,903	174,267
Grand Total	pounds	79,478,053	93,687,660	105,678,288
	yards	375,435,809	446,383,045	498,242,593
	dozens	31,886	39,479	53,010

MADRAS.

Description.		Twelve Months, April to March.		
		1923-24.	1924-25.	1925-26.
Grey and bleached piece-goods—				
Chadars	pounds	118,364	157,763	268,941
	yards	250,622	342,269	621,318
Dhutis	pounds	1,678,405	1,699,436	1,767,524
	yards	7,059,413	8,025,511	8,578,548
Drills and jeans	pounds	868,043	1,091,845	958,349
	yards	2,981,081	3,916,529	3,178,679
Cambrics and lawns	pounds	4,814	5,437	3,661
	yards	27,358	32,148	22,626
Printers	pounds	....	....	....
	yards	....	....	....
Shirtings and longcloth	pounds	1,090,314	1,558,804	1,255,590
	yards	3,786,129	5,316,008	4,407,685
T-cloth, domestics and sheetings	pounds	1,574,000	632,687	646,740
	yards	4,598,344	2,228,501	2,455,303
Tent cloth	pounds	57,891	3,090	4,294
	yards	76,935	5,069	7,944
Khadi, Dungri or Khaddar (*a*)	pounds	....	1,227,515	722,887
	yards	....	4,147,657	1,928,762
Other sorts	pounds	1,332,841	313,412	321,451
	yards	4,189,010	1,244,367	1,214,221
Total	pounds	6,724,672	6,689,965	5,949,437
	yards	22,968,892	25,258,059	22,416,086
Coloured piece-goods	pounds	9,347,500	9,58,397	9,709,158
	yards	32,178,225	31,45,238	32,241,195
Grey and coloured goods other than piece-goods.	pounds	378,310	432,951	545,315
	dozens	77,962	90,028	121,582
Hosiery	pounds	53,509	61,653	36,551
	dozens	25,848	25,984	18,096
Miscellaneous	pounds	67,163	950,633	693,955
Cotton goods mixed with silk or wool	,,	....	....	....
Grand Total	pounds	16,571,154	17,493,599	16,934,416
	yards	55,147,117	56,703,297	54,657,281
	dozens	103,810	116,012	139,676

(*a*) Separately specified with effect from April, 1924.

No. 6.—*DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced*—continued.

BENGAL.

Description.		Twelve Months, April to March.		
		1923-24.	1924-25.	1925-26.
Grey and bleached piece-goods—				
Chadars	pounds	327	123	267
	yards	3,102	1,308	2,703
Dhutis	pounds	2,498,565	2,415,152	4,709,868
	yards	12,908,645	13,421,605	23,579,301
Drills and jeans	pounds	31	43	5,883
	yards	49	112	53,130
Cambrics and lawns	pounds	....	....	....
	yards	....	....	....
Printers	pounds	....	....	....
	yards	....	....	....
Shirtings and longcloth	pounds	1,703,458	2,383,978	2,779,796
	yards	7,503,626	10,157,846	12,015,843
T-cloth, domestics and sheetings	pounds	....	....	....
	yards	....	..	....
Tent cloth	pounds	....	..	....
	yards	....	..	....
Khadi, Dungri or Khaddar (*a*)	pounds	....	132 747	282,363
	yards	....	888,140	1,254 852
Other sorts	pounds	209,341	28,136	6 943
	yards	1,219,189	229,486	60,293
Total	pounds	4,411,722	4,960,179	7,785,120
	yards	21,634,611	24,698,497	36,966,122
Coloured piece-goods	pounds	3,271	....	....
	yards	9,726		....
Grey and coloured goods other than piece goods.	pounds	....	....	....
	dozens	....	....	....
Hosiery	pounds	112,357	176,337	287,033
	dozens	35,912	49,474	80,277
Miscellaneous	pounds	211,435	252,914	636,043
Cotton goods mixed with silk or wool	,,	....	....	....
Grand Total	pounds	4,738,785	5,389,430	8,708,196
	yards	21,644,337	24,698,497	36,966,122
	dozens	35,912	49,474	80,277

UNITED PROVINCES.

Description.		Twelve Months, April to March.		
		1923-24.	1924-25.	1925-26.
Grey and bleached piece-goods—				
Chadars	pounds	1,265,314	1,721,247	1,822,409
	yards	3,641,426	5,075,703	4,856,025
Dhutis	pounds	3,610,452	3,958,868	5,813,658
	yards	14,892,844	16,338,380	24,020,355
Drills and jeans	pounds	679,948	607,372	1,016,534
	yards	2,026,345	1,920,452	3,217,957
Cambrics and lawns	pounds	74,284	171,222	18,680
	yards	295,053	684,485	76,260
Printers	pounds	582,572	678,645	529,719
	yards	2,754,438	2,423,259	2,062,760
Shirtings and longcloth	pounds	1,110,309	2,252,913	2,389,585
	yards	4,574,476	8,526,071	8,512,760
T-cloth, domestics and sheetings	pounds	1,403,675	2,399,008	2,853,513
	yards	4,304,078	8,503,206	9,542,607
Tent cloth	pounds	512,305	657,434	484,336
	yards	1,176,490	1,328,663	1,055,078
Khadi, Dungri or Khaddar (*a*)	pounds	....	1,540,564	1,847,353
	yards	....	5,237,797	6,027,008
Other sorts	pounds	2,047,450	122,512	134,560
	yards	7,359,748	571,444	640,100
Total	pounds	11,286,309	14,109,785	16,910,347
	yards	41,024,898	50,609,460	60,010,910
Coloured piece-goods	pounds	1,230,719	1,311,375	1,256,986
	yards	4,677,227	5,007,122	4,693,678
Grey and coloured goods other than piece goods.	pounds	336,609	232,694	203,364
	dozens	28,266	29,172	31,980
Hosiery	pounds	15,697	23,944	42,489
	dozens	9,137	11,460	16,300
Miscellaneous	pounds	389,315	208,776	11,042
Cotton goods mixed with silk or wool	,,	54,248	36,862	54,513
Grand Total	pounds	†14,026,011	‡16,087,918	18,478,741
	yards	45,702,125	55,616,582	64,704,588
	dozens	37,403	40,632	48,280

*Includes lbs. 66, 652 for which details by classes are not available.
† ,, ,, 713,114 ,, ,, ,, ,, ,, ,, ,,
‡ ,, ,, 164,482 ,, ,, ,, ,, ,, ,, ,,
(*a*) Separately specified with effect from April, 1924.

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced—continued.

AJMER-MERWARA.

Description.		Twelve Months, April to March.		
		1923-24.	1924-25.	1925-26.
Grey and bleached piece-goods—				
Chadars	pounds	28,739	49,618	61,317
	yards	45,780	83,072	145,234
Dhutis	pounds	938,179	1,101,651	1,404,915
	yards	4,447,164	4,984,109	6,136,057
Drills and jeans	pounds	....	2,874	18,258
	yards	....	6,139	66,849
Cambrics and lawns	pounds	....	....	....
	yards	....	....	....
Printers	pounds	62,047	113,358	120,849
	yards	268,523	379,158	367,363
Shirtings and longcloth	pounds	102,220	24,228	341,582
	yards	361,653	115,769	1,342,819
T-cloth, domestics and sheetings	pounds	923	8,157	151,097
	yards	4,512	37,909	637,820
Tent cloth	pounds	....	....	....
	yards	....	....	....
Khadi, Dungri or Khaddar (a)	pounds	....	915,407	1,268,807
	yards	....	3,907,992	4,068,870
Other sorts	pounds	891,709	63,172	73,889
	yards	2,619,584	91,168	....
Total	pounds	2,023,817	2,278,465	3,440,714
	yards	7,747,216	8,705,316	12,765,084
Coloured piece-goods	pounds	6,326	8,910	5,649
	yards	51,157	65,368	15,475
Greyandcoloured goods other than piece-goods	pounds	1,231	580	1,225
	dozens	168	159	68
Hosiery	pounds	....	....	....
	dozens	....	....	....
Miscellaneous	pounds	....	....	....
Cotton goods mixed with silk or wool	,,	....	....	....
Grand Total	pounds	2,031,374	2,287,955	3,447,588
	yards	7,798,373	8,770,684	12,780,559
	dozens	168	159	68

PUNJAB.

Description.		Twelve Months, April to March.		
		1923-24.	1924-25.	1925-26.
Grey and bleached piece-goods—				
Chadars	pounds	4,784	61,543	144,090
	yards	12,565	168,606	399,595
Dhutis	pounds	12,705	21,807	175,385
	yards	50,855	78,444	580,918
Drills and jeans	pounds	1,596	13,486	15,612
	yards	4,412	38,943	47,258
Cambrics and lawns	pounds	....	....	8,008
	yards	....	....	34,748
Printers	pounds	175	....	....
	yards	888	....	....
Shirtings and longcloth	pounds	22	4,627	69,856
	yards	290	22,800	351,821
T-cloth, domestics and sheetings	pounds	1	....	9,747
	yards	10	....	46,259
Tent cloth	pounds	48	....	4,263
	yards	120	....	15,789
Khadi, Dungri or Khaddar (a)	pounds	....	386,124	718,845
	yards	....	1,390,388	2,395,247
Other sorts	pounds	543,587	3,301	14,858
	yards	1,570,068	6,325	335
Total	pounds	562,918	490,891	1,160,667
	yards	1,639,118	1,705,503	3,871,880
Coloured piece-goods	pounds	1,374	21,160	17,275
	yards	7,260	111,456	116,958
Grey and coloured goods other than piece-goods	pounds	....	....	....
	dozens	....	....	....
Hosiery	pounds	....	....	....
	dozens	....	....	....
Miscellaneous	pounds	....	....	....
Cotton goods mixed with silk or wool	,,	....	....	....
Grand Total	pounds	564,292	512,051	1,177,942
	yards	1,646,378	1,816,959	3,988,838
	dozens	....	....	....

(a) Separately specified with effect from April, 1924.

No. 6.—*DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced*—continued.

DELHI.

Description.		Twelve Months, April to March.		
		1923-24.	1924-25.	1925-26.
Grey and bleached piece-goods—				
Chadars	pounds	633,114	728,300	587,159
	yards	1,497,239	1,789,961	1,415,794
Dhutis	pounds	763,212	1,215,731	1,384,795
	yards	2,600,099	4,859,885	5,179,137
Drills and jeans	pounds	1,962	18,326	10,300
	yards	5,522	52,693	34,767
Cambrics and lawns	pounds	....	....	....
	yards	....	....	....
Printers	pounds	....	....	....
	yards	....	....	....
Shirtings and longcloth	pounds	14,596	91,474	122,030
	yards	91,580	295,411	445,184
T-cloth, domestics and sheetings	pounds	15,820	21,800	72,626
	yards	58,103	73,276	285,926
Tent cloth	pounds	691,265	737,094	1,004,591
	yards	1,448,572	1,623,392	2,280,533
Khadi, Dungri or Khaddar (*a*)	pounds	....	1,838,312	3,008,510
	yards	....	4,941,488	8,668,719
Other sorts	pounds	1,304,871	2,056	129
	yards	3,502,899	16,024	946
Total	pounds	3,424,840	4,653,093	6,190,140
	yards	9,204,014	13,652,130	18,311,006
Coloured piece-goods	pounds	188,302	221,068	343,824
	yards	1,092,717	868,737	1,317,260
Grey and coloured goods other than piece-goods.	pounds	512	1,850	6,454
	dozens	104	927	4,104
Hosiery	pounds	....	....	....
	dozens	....	....	....
Miscellaneous	pounds	....	....	....
Cotton goods mixed with silk or wool	,,	....	....	....
Grand Total	pounds	3,613,654	4,876,011	6,540,418
	yards	10,296,731	14,510,867	19,628,266
	dozens	104	279	4,104

CENTRAL PROVINCES AND BERAR.

Description.		Twelve Months, April to March.		
		1923-24.	1924-25.	1925-26.
Grey and bleached piece-goods—				
Chadars	pounds	1,125,268	1,104,576	1,133,236
	yards	2,826,895	2,747,295	2,873,324
Dhutis	pounds	4,704,019	6,830,378	7,322,952
	yards	19,045,217	29,342,804	30,683,593
Drills and jeans	pounds	1,404,741	1,558,971	1,440,992
	yards	4,317,326	4,911,731	4,789,813
Cambrics and lawns	pounds	254,434	6,300	7,786
	yards	756,535	24,864	46,207
Printers	pounds	491,424	444,717	337,592
	yards	2,287,971	2,093,318	1,680,092
Shirtings and longcloth	pounds	1,604,232	1,968,375	2,159,535
	yards	6,329,375	7,895,487	8,757,390
T-cloth, domestics and sheetings	pounds	668,901	710,206	402,257
	yards	2,922,973	2,916,306	1,574,651
Tent cloth	pounds	490,170	413,478	321,199
	yards	985,223	806,290	598,525
Khadi, Dungri or Khaddar (*a*)	pounds	....	824,480	1,084,879
	yards	....	2,718,891	3,435,718
Other sorts	pounds	944,758	447,266	167,546
	yards	3,116,300	1,832,558	977,393
Total	pounds	11,687,947	14,308,747	14,377,974
	yards	42,587,815	55,289,544	55,116,706
Coloured piece-goods	pounds	3,463,002	4,396,175	4,242,311
	yards	14,428,897	17,340,542	16,153,582
Grey and coloured goods other than piece-goods.	pounds	170,932	312,417	443,907
	dozens	13,149	19,117	27,230
Hosiery	pounds	....	....	42,139
	dozens	....	....	....
Miscellaneous	pounds	225,235	431,124	367,965
Cotton goods mixed with silk or wool	,,	....	....	....
Grand Total	pounds	15,547,116	19,448,463	19,464,296
	yards	57,016,712	72,630,086	71,270,288
	dozens	13,149	19,117	27,230

(*a*) Separately specified with effect from April, 1924.

No. 6.—*DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced*—concluded.

TOTAL OF BRITISH INDIA.

Description.		Twelve Months, April to March.		
		1923-24.	1924-25.	1925-26.
Grey and bleached piece-goods—				
Chadars	pounds	18,697,682	19,766,299	20,619,173
	yards	53,253,877	56,063,192	56,350,203
Dhutis	pounds	80,636,501	89,280,335	103,483,833
	yards	378,035,045	427,860,433	488,733,508
Drills and jeans	pounds	11,349,446	15,777,739	14,132,614
	yards	45,136,111	65,260,001	56,315,859
Cambrics and lawns	pounds	774,089	776,515	559,097
	yards	3,638,392	4,216,370	3,073,277
Printers	pounds	5,807,941	5,357,325	4,025,009
	yards	25,375,022	22,660,057	17,274,201
Shirtings and longcloth	pounds	92,604,183	108,391,356	106,855,657
	yards	411,675,034	485,650,236	467,001,082
T-cloth, domestics and sheetings	pounds	14,238,076	15,861,522	15,952,531
	yards	63,283,152	72,228,676	69,385,990
Tent-cloth	pounds	2,694,597	3,948,694	3,393,947
	yards	6,277,004	9,326,886	7,782,170
Khadi, Dungri or Khaddar (*a*)	pounds	....	22,183,413	22,305,727
	yards	....	66,436,998	64,485,259
Other sorts	pounds	30,396,241	7,352,749	6,954,792
	yards	100,083,037	33,587,339	30,808,800
Total	pounds	257,198,756	288,698,923	298,282,380
	yards	1,086,756,674	1,243,290,188	1,261,210,349
Coloured piece-goods	pounds	102,035,563	117,883,269	110,121,105
	yards	477,034,629	556,357,405	513,171,453
Grey and coloured goods other than piece-goods.	pounds	2,560,428	2,899,540	3,704,810
	dozens	513,667	608,534	954,397
Hosiery	pounds	361,680	447,206	651,060
	dozens	177,591	197,671	231,171
Miscellaneous	pounds	1,937,049	3,502,621	3,314,942
Cotton goods mixed with silk or wool	,,	207,171	171,923	707,712
Grand Total	pounds	365,007,761*	413,767,964*	416,782,009
	yards	1,563,791,303	1,799,647,593	1,774,381,802
	dozens	691,258	806,205	1,185,568

*See footnotes at page 779.

(*a*) Separately specified with effect from April, 1924.

No. 7.—*DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced.*

INDIAN STATES. (a)

Description.		Twelve Months, April to March.		
		1923-24.	1924-25.	1925-26.
Grey and bleached piece-goods—				
Chadars	pounds	1,539,141	1,879,542	2,168,124
	yards	4,749,051	5,550,735	5,725,388
Dhutis	pounds	5,021,994	7,226,746	6,650,546
	yards	21,179,347	30,543,503	27,660,810
Drills and jeans	pounds	2,581,841	2,742,960	3,974,247
	yards	9,837,427	11,931,046	17,834,285
Cambrics and lawns	pounds	2,452	367,994	21,667
	yards	10,190	1,178,868	93,172
Printers	pounds	2,046,586	2,402,333	1,978,974
	yards	9,455,942	10,116,829	8,597,796
Shirtings and longcloth	pounds	7,710,555	9,667,391	13,164,209
	yards	32,172,918	39,874,191	54,124,862
T-cloth, domestics and sheetings	pounds	1,369,974	1,601,000	1,418,062
	yards	4,791,487	5,513,082	4,687,343
Tent cloth	pounds	99,988	207,532	596,770
	yards	296,265	566,903	1,222,736
Khadi, Dungri or Khaddar(b)	pounds	....	7,248,053	8,138,660
	yards	....	20,715,564	22,920,957
Other sorts	pounds	9,478,691	3,222,755	2,871,517
	yards	28,404,872	13,087,379	10,226,124
Total	pounds	29,851,222	36,566,306	40,982,776
	yards	110,897,499	139,078,100	153,093,473
Coloured piece-goods	pounds	6,294,780	7,679,914	6,574,195
	yards	26,885,553	31,673,545	26,985,392
Grey and coloured goods other than piece-goods.	pounds	14,924	52,681	21,701
	dozens	640	2,451	1,407
Hosiery	pounds	186,151	226,015	221,201
	dozens	66,948	79,182	85,375
Miscellaneous	pounds	306,062	446,682	457,187
Cotton goods mixed with silk or wool	,,	58	100,083	....
Grand Total	pounds	36,653,197	45,071,681	48,257,060
	yards	137,783,052	170,751,645	180,078,865
	dozens	67,588	81,633	86,782

(a) See note at foot of Table No. 2.
(b) Separately specified with effect from April, 1924.

No. 8.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Produced.

GRAND TOTAL, INDIA (British India and Indian States).

Description.		Twelve Months, April to March.		
		1923-24.	1924-25.	1925-26.
Grey and bleached piece-goods—				
Chadars	pounds	20,236,823	21,645,841	22,787,297
	yards	58,002,928	61,613,927	62,075.591
Dhutis	pounds	85,658,495	96,507,057	110,134,379
	yards	399,214,392	458,406,936	516,394,318
Drills and jeans	pounds	13,931,287	18,520,699	18,106,861
	yards	54,973,538	77,191,047	74,150,144
Cambrics and lawns	pounds	776,541	1,144,509	580,764
	yards	3,648,582	5,395,238	3,166,449
Printers	pounds	7,854,527	7,759,658	6,003,983
	yards	34,830,964	32,776,886	25,871,997
Shirtings and longcloth	pounds	100,314,738	118,058,747	120,019,866
	yards	443,847,952	525,524,427	521,125,944
T-cloth, domestics and sheetings	pounds	15,608,050	17,462,522	17,370,593
	yards	68,074,639	77,741,758	74,073,333
Tent cloth	pounds	2,794,585	4,156,226	3,990,717
	yards	6,573,269	9,893,789	9,004,906
Khadi, Dungri or Khaddar (*a*)	pounds	....	29,434,466	30,444,387
	yards	....	87,152,562	87,406,216
Other sorts	pounds	39,874,932	10,575,504	9,826,309
	yards	128,487,909	46,674,718	41,034,924
Total	pounds	287,049,978	325,265,229	339,265,156
	yards	1,197,654,173	1,382,368,288	1,414,303,822
Coloured piece-goods	pounds	108,330,343	125,563,183	116,695,300
	yards	503,920,182	588,030,950	540,156,845
Grey and coloured goods, other than piece-goods.	pounds	2,575,352	2,952,221	3.726,511
	dozens	514,307	610,985	955,804
Hosiery	pounds	547,831	676,221	872,261
	dozens	244,539	276,853	316,546
Miscellaneous	pounds	2,237,111	3,949,303	3,772,129
Cotton goods mixed with silk or wool	,,	207,229	272,006	707,712
Grand Total	pounds	*401,660,958	* 458,839,645	465,039,069
	yards	1,701,574,355	1,970,399,238	1,954,460,667
	dozens	758,846	887,838	1,272,350

* See footnote at page 779.
(*a*) Separately specified with effect from April, 1924.

No. 9.—STATEMENT of the AMOUNT (in rupees) of the VALUE of GOODS WOVEN in the COTTON MILLS in INDIA.

	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
	Rs.	Rs.	Rs.
British India.			
Bombay	42,50,81,350	47,19,51,050	36,04,66,468
Madras	2,41,72,904	2,62,53,808	2,12,66,882
Bengal	67,76,904	75,29,681	1,06,71,395
United Provinces	1,67,10,171	2,01,58,960	1,64,22,133
Ajmer-Merwara	24,79,913	27,42,766	35,53,123
Punjab	4,56,609	5,32,932	9,97,159
Delhi	41,99,020	58,43,145	62,46,731
Central Provinces and Berar	2,00,45,754	2,62,82,362	2,24,93,100
Total ..	49,99,22,625	56,12,94,704	44,21,16,991
Foreign Territory.			
Indian States of Mysore, Baroda, Nandgaon, Bhavnagar, Wadhwan, Hyderabad, Gwalior (Ujjain), and Pondicherry	2,87,41,173	3,34,61,676	3,01,47,326
Grand Total ..	52,86,63,798	59,47,56,380	47,22,64,317

No. 10.—*STATEMENT of the AMOUNT (in rupees) of EXCISE DUTY realised from goods woven in the Cotton Mills in India, under the Cotton Duties Act, II of* 1896.

	Twelve Months, April to March.		
	1923-24.	1924-25.	1925-26.
	Rs.	Rs.	Rs.
British India.			
Bombay	1,29,37,458	1,87,03,383	1,24,05,753
Madras	8,99,127	9,03,764	6,31,036
Bengal	2,22,633	2,62,518	2,88,975
United Provinces	5,91,885	6,88,558	5,30,775
Ajmer-Merwara..	87,138	93,875	89,633
Punjab	17,428	19,268	34,928
Delhi	1,43,455	1,94,186	1,54,704
Central Provinces and Berar	7,52,779	9,01,145	5,90,344
Total, Gross Duty	1,56,51,903	2,17,66,893*	1,47,26,148
Total, Net Duty	1,38,50,839	2,12,25,643	1,36,50,103
Foreign Territory.			
Indian States of Indore, Mysore, Baroda, Nandgaon, Bhavnagar, Wadhwan and Gwalior (*a*.)			
Gross Duty	11,67,300	16,20,095	15,03,564
Net Duty	11,67,300	16,20,095	15,03,564
Grand Total, Gross Duty	1,68,19,203	2,33,86,988	1,62,29,712
Grand Total, Net Duty	1,50,18,139	2,28,45,738	1,51,53,667

Note.—The monthly figures and the figures for 1925-26 are as reported by the Local authorities each month, and are not finally adjusted by the Accounts Department.

(*a*) Figures for Gwalior reported from June, 1924.

* Includes Rs. 196 realised in N. W. F. Province.

Report for the year 1925.

Section VI.

RULES AND REGULATIONS.

Rules for the Registration of Trade Marks.

Rules for Arbitration on Piece-goods. Standard Contract Form.

Provident Fund Rules.

RULES AND REGULATIONS.

Revised and adopted down to the Annual General Meeting held on 23rd February, 1925.

1. The Association shall be called the Bombay Millowners' Association. Name.

2. The Office of the Association will be situate in Bombay.

3. The objects of the Association are :— Objects of the Association.

(*a*) To encourage friendly feeling and unanimity amongst Millowners and users of steam water and/or electric power on all subjects connected with their common good.

(*b*) To secure good relations between members of the Association.

(*c*) To promote and protect the trade commerce and manufactures of India in general and of the cotton trade in particular.

(*d*) To consider questions connected with the trade, commerce and manufactures of its members.

(*e*) To collect and circulate statistics and to collect classify and circulate information relating to the trade commerce and manufactures of its members.

(*f*) To take all steps which may be necessary for promoting, supporting or opposing legislative and other measures affecting the trade commerce or manufactures of its members.

(*g*) To make representations to Local Central and Imperial authorities on any matter connected with the trade commerce and manufactures of its members.

(*h*) To arbitrate in the settlement of disputes arising out of transactions in piece-goods and yarn between parties willing or agreeing to submit to arbitration in accordance with the arbitration rules of the Association.

(*i*) To advance and promote commercial and technical education connected with the trade and commerce of its members.

(*j*) To undertake special enquiries and initiate or support any action for securing the redress of legitimate grievances connected with the trade or commerce of its members.

(*k*) To take any action which may be conducive to the extension of the trade and commerce of its members or incidental to the attainment of this object.

(*l*) To subscribe, to become a member of and co-operate with any other Association whether incorporated or not whose objects are altogether or in part similar to those of this Association and to procure from or communicate to any such Association such information as may be likely to forward the objects of this Association.

(*m*) To establish or aid in the establishment of funds to benefit employees of the Association or the dependents of such persons and to subscribe donate or guarantee money for charitable or benevolent purposes at the discretion of the Association.

(*n*) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Association directly or indirectly.

Persons eligible for membership.

4. Any individual, firm or Company owning one or more mill or mills or one or more press or presses or one or more ginning or other factory or factories actuated by steam, water, electric and/or other power shall be eligible for membership of the Association.

Definition of the term "member."

5. The expression "Member" in these rules shall ordinarily mean the person, firm or Company, as the case may be, by whom or by which any such mill or mills, press or presses, or factory or factories as last aforesaid is or are actually owned; but shall where the context so requires or permits also mean and include the person or persons for the time being entitled or empowered in accordance with these rules to act and vote on behalf of any member of the Association.

Voting Power of members.

6. At any General Meeting of members of the Association every member shall be entitled to one vote for every complete sum of Rs. 50/- paid by him as annual subscription under Rule 35 hereof.

7. Each individual, who, as an individual, shall be a member of the Association, shall subject as hereinafter mentioned, be entitled either to act and vote on his own behalf or to empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign his name per procuration, to act and vote on his behalf.

8. Every partner in any firm, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of his firm, and the firm may also empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign the name of the firm per procuration, to act and vote on behalf of the firm.

9. Every Director of a Joint Stock Company, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company, and the Agent, Secretary or Manager, as the case may be, of such Company, and every partner in any firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, and likewise any one or more persons, who shall have been duly authorized by the Agent, Secretary or Manager, as the case may be, of such Company, or by the firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, to sign either the name of such Agent, Secretary or Manager or the name of such firm, per procuration, shall also, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company.

10. The name of every person entitled or empowered to act and vote on behalf of any member of the Association, whether such person be the member himself or any other person, shall be notified in writing by such member to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, and if more than one person shall be entitled or empowered to act and vote on behalf of any member, such member shall notify in writing to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, the order of precedence in which such persons shall be entitled to act and vote on behalf of such member.

11. When any member shall notify to the Secretary of the Association that any one or more persons, other than the member himself, is entitled or empowered to act and vote on behalf of such member, such member shall, in such notification, state the capacity in which such person or each of such persons is so entitled or empowered to vote, that is to say, either as a member of a firm or as a Director or Agent or Secretary or Manager of a Company or as the holder of a power to sign per procuration or otherwise as the case may be.

12. If the name of any person shall be notified as a person empowered to act and vote on behalf of a member by virtue of being the holder of a power to sign per procuration, the notification shall be accompanied by the document authorizing such person to sign per procuration, in order that the same may be registered by the Secretary, and the Secretary shall, after registering the document, return it to the person who sent it.

13. The Association shall provide a Register, to be called " Register of members and of persons entitled to act and vote for members " (hereinafter in these rules referred to as " the said Register "), and the names of all members of the Association shall be entered in the said Register together with the name of each person entitled or empowered, in accordance with these rules, to act and vote for such members, so soon as the name of such persons and all particulars regarding him and all formalities shall have been duly notified and observed in accordance with these rules, and when the name of more than one person shall have been notified as entitled to act and vote for any one member of the Association, the names of such persons shall be numbered in the order of precedence in which such persons are entitled to act and vote for such member.

14. No person shall be entitled to act or vote on behalf of any member of the Association unless and until his name shall have been entered in the said Register as a person entitled to act and vote for such member.

15. If two or more persons, who shall be entitled to act and vote on behalf of one and the same member of the Association, shall be present at any meeting of the Association, that one, who takes priority in the order of precedence in the said Register, shall alone be entitled to vote at such meeting.

16. If any one person shall, according to these rules, be entitled to act and vote for more than one member of the Association, such person shall be entitled to act and to exercise the right of voting, according to these rules, for each member, on whose behalf he is so entitled to act and vote.

Mode of electing members.

17. Members of the Association shall be elected by ballot in the manner hereinafter mentioned.

18. Every candidate for election as a member of the Association must be proposed by one member of the Association and seconded by another, and a letter of proposal signed by the proposer or seconder must be sent to the Managing Committee of the Association (hereinafter called " The Committee ").

19. After the receipt by them of a proposal duly made and seconded according to these rules of a candidate for election as a member of the Association, the Committee shall fix a day for the commencement of the ballot for the election of such candidate.

20. Not less than seven days before the day so fixed as aforesaid for the commencement of the ballot for the election of any candidate, notice in writing shall be given by the Committee to all members of the Association of the name of the candidate and of his proposer and seconder and of the date so fixed as aforesaid for the commencement of the ballot for the election of such candidate.

21. The Committee shall, before the day appointed for the commencement of the ballot for the election of a candidate for membership of the Association, appoint a scrutineer for such election.

22. The Association shall, for the purposes of all elections by ballot, provide a ballot-box with a lock and key and with an aperture sufficiently large to admit of the deposit therein of voting papers.

23. Before the time appointed under these rules for the commencement of the ballot for the election of any candidate for membership of the Association, the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same, and the same shall not be opened until after the expiration of the full time appointed for such ballot.

24. The Committee shall provide voting papers for the election of a member of the Association in such form as they shall, from time to time, think fit and shall send one of such voting papers to each member of the Association, not less than seven days before the

day fixed according to these rules for the commencement of the ballot for the election of any candidate for membership of the Association.

25. If any person entitled or empowered to vote concerning the election of a candidate for membership of the Association shall desire to exercise his right of voting, he shall fill up a voting paper in accordance with the directions contained therein, stating whether he votes for or against the election of such candidate and shall sign the paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

26. Voting papers may be deposited in the ballot-box in accordance with these rules at any time between the hours of 10-30 a.m. and 4 p.m. on the day appointed for the commencement of the ballot or on any one of the six succeeding days, exclusive of Sundays or Gazetted Holidays.

27. The ballot-box shall, at 4 p.m. on the seventh of the days appointed for the election of any candidate for membership, be opened by the Secretary in the presence of the scrutineer, and the votes shall be counted and scrutinized by the scrutineer, and the scrutineer shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

28. No candidate for election as a member shall be deemed to have been elected unless the number of votes recorded is greater than one-fourth of the total number of the votes which would have been recorded if all members had voted. One adverse vote in every six votes recorded shall exclude. The result of every election shall be recorded in the Minutes of the Proceedings of the Committee.

29. If any candidate for election as a member of the Association shall not be elected, his proposer shall be informed of his non-election by the Secretary.

30. Particulars of the voting for the election of any candidate for election as a member of the Association shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to any one whomsoever.

31. A candidate, who shall have been proposed for election as a member of the Association and shall not have been elected, shall not be again eligible for election as a member of the Association until after the expiration of six months from the date of the election at which he shall not have been elected.

32. If a candidate for election as a member of the Association be elected, his election shall be notified in writing by the Secretary to his proposer and likewise to the candidate himself, and a copy of the last annual report of the Association and also a copy of the Rules of the Association, together with a bill for the entrance fee payable by such member on election and the amount of the annual subscription payable in accordance with these rules shall be sent to him by the Secretary.

Membership subscription.

33. Every member who shall after the date on which these rules shall come into force be elected a member of the Association shall pay on election an entrance fee of Rs. 100.

34. Every member who shall after the date on which these rules shall come into force be elected a member of the Association after the 1st January but before the 1st October in any year shall in addition to the entrance fee pay such proportion of the annual subscription for that year as shall be attributable to the period between the date of election and the 31st December of that year. Every member similarly elected after the 30th September in any year shall pay in addition to the entrance fee one-quarter of the annual subscription for that year.

35. Each member of the Association shall pay the annual subscription to the Association which may from time to time be determined by the Committee. Provided that the resolution of the Committee determining such annual subscription shall be passed by a majority of

not less than two-thirds of the members of the Committee present at a special meeting called for the purpose of determining such subscription.

36. Annual subscriptions shall be payable in advance on the 1st January in each year in respect of the period from the 1st January to the 31st December in that year, and a member shall not be entitled to exercise any of the privileges of membership if his subscription is more than two calendar months in arrear.

37. A member who shall fail to pay his subscription for a period of three calendar months after it has become payable shall, *ipso facto*, cease to be a member of the Association and his name shall forthwith be removed from the said Register. Provided that the Committee may for good cause shown for such non-payment of the subscription as to which the decision of the Committee shall be final and binding upon the member in default, and upon payment of the subscription in arrear revoke the cancellation of membership and order the name of such member to be reinstated in the said Register. Subscriptions in arrear shall be treated as a debt due to and recoverable by the Association.

Form of adherence to be signed by members.

38. Each member shall, on election to the Association, sign a form of adherence to the rules of the Association in the form from time to time approved by the Committee and until such form shall have been signed a member shall not be entitled to exercise any of the privileges of membership.

Mode of resigning from membership.

39. Every member of the Association shall have power to terminate his membership thereof by giving not less than three calendar months' previous notice in writing (expiring at any time) to the Secretary of the Association of his desire to terminate such membership and upon the expiration of any such notice such member shall cease to be a member of the Association and his name shall forthwith be removed from the said Register.

The Committee, its constitution and mode of election.

40. The affairs and funds of the Association shall be managed by a Managing Committee hereinbefore and hereinafter called " The Committee " to be constituted as hereinafter mentioned.

41. The members of the Association shall, in each year between the 1st and the 31st day of January, elect the Committee from amongst the list of persons whose names appear in the said Register as persons entitled to act and vote for members.

42. The Committee shall consist of a Chairman, a Deputy Chairman and not more than eighteen ordinary members, making a maximum of twenty members in all.

43. The Committee, holding office for the time being, shall appoint a day between the 1st and the 31st day of January in each year for the election of the Chairman, the Deputy Chairman and the eighteen ordinary members of the Committee for the ensuing year, and shall cause notice of the day so appointed for such election as aforesaid to be advertised in at least one English and one Vernacular newspaper published in Bombay.

44. The Secretary of the Association shall also give to each member of the Association not less than seven days' notice in writing of the day appointed for the said elections and of the names of all authorised representatives of members who are eligible for election as members of the Committee.

45. The members of the Committee shall be elected by ballot.

46. The Committee shall, before the day appointed for the said election, appoint a scrutineer for each of the said elections.

47. Before the time appointed under these rules for the commencement of the ballot upon the day appointed for the said elections the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same and the same shall not be opened until 4 p.m. upon that day.

48. The Committee shall provide separate voting papers for —

(a) the election of a Chairman of the Committee,

(b) the election of a Deputy Chairman of the Committee,

(c) the election of eighteen ordinary members of the Committee,

in such form as they shall, from time to time, think fit and shall send to each member of the Association not less than seven days before the day fixed for the said elections, one voting paper in respect of the election of the Chairman, one voting paper in respect of the election of the Deputy Chairman and one voting paper in respect of the election of the ordinary members of the Committee.

49. On the day appointed for the said elections voting shall commence at 10-30 a.m. and terminate at 4 p.m.

50. If any person entitled or empowered to vote concerning the election of the members of the Committee shall desire to exercise his right of voting, he shall, in the case of the election of a Chairman, write on a voting paper relative to the election of a Chairman the name of the person representing a member of the Association whom he desires should be appointed such Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of a Deputy Chairman, write on a voting paper relative to the election of a Deputy Chairman the name of the person representing a member of the Association whom he desires should be appointed such Deputy Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of the eighteen ordinary members of the Committee, write on a voting paper relative to the election of the ordinary members of the Committee, the names of the eighteen persons representing members of the Association whom he desires should be appointed as ordinary members of the Committee as aforesaid and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

51. Voting papers regarding the elections of a Chairman, Deputy Chairman and the ordinary members of the Committee may be deposited in the ballot-box in accordance with these rules between the hours of 10-30 a.m. and 4 p.m. on the day which shall have been appointed under these rules for such elections.

52. At 4 p.m. on the day appointed for the said elections the ballot-box shall be opened by the Secretary of the Association in the presence of the scrutineer and the votes shall be counted and scrutinised by the scrutineer, who shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

53. Particulars of the voting for the election of the members of the Committee shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to any one whomsoever.

54. Those persons in whose favour the largest number of votes shall have been cast for the respective appointments of Chairman, Deputy Chairman and ordinary members of the Committee shall be deemed to have been appointed Chairman, Deputy Chairman and ordinary members of the Committee respectively.

55. Two representatives of any one member entitled under Rule 6 to ten votes or less shall not be on the Committee at the same time, and if two representatives of any one such member shall be elected to serve on the Committee at the same time, the election of that representative who obtains the lesser number of votes shall be void. In case of an equality of votes, the Chairman of the retiring Committee shall have a casting vote.

56. No member of the Association shall vote for more than one Chairman, one Deputy Chairman and eighteen ordinary members of the Committee.

57. If any person who shall have been elected according to these rules either as Chairman of the Committee or as Deputy Chairman of the Committee shall decline to

accept the appointment there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be.

58. If any person who shall have been elected in accordance with these rules as an ordinary member of the Committee shall decline to accept the appointment the person who shall have received the next largest number of votes shall be considered to have been elected, and if there shall be no such person then the vacancy shall be filled by the retiring Committee.

59. If in any ballot for a Chairman or Deputy Chairman of the Committee there shall be an equality of votes for the appointment, there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be. If in any ballot for the election of the eighteen ordinary members of the Committee there shall be an equality of votes for the eighteenth appointment, the Chairman of the retiring Committee shall have a casting vote.

60. The new Committee shall take office upon the conclusion of the first Annual General Meeting of the members of the Association held after their election, and shall continue to hold office until the conclusion of the next Annual General Meeting of the members of the Association, when they shall retire but shall be eligible for re-election.

61. If any member of the Committee shall be absent from the regular meetings of the Committee for more than three consecutive months he shall, unless he shall have previously obtained leave of absence from the Committee, be deemed to have vacated his office.

62. When any vacancy other than a vacancy in the office of Chairman or Deputy Chairman shall occur in the Committee, the members of the Committee shall have power to appoint any duly qualified person to fill such vacancy who shall hold office until the conclusion of the next Annual General Meeting of the members of the Association when he shall retire but shall be eligible for re-election. Similarly if any member of the Committee shall have previously obtained leave of absence from the General Meetings of the Committee, the members of the Committee shall have power to appoint any duly qualified person to act as a member of the Committee during the absence of such member.

63. If any vacancy other than a temporary vacancy shall occur in the office of Chairman or Deputy Chairman of the Committee, such vacancy shall be filled by the election according to these rules by the members of the Association of any duly qualified person. A temporary vacancy may be filled by the members of the Committee from their own number.

The procedure to be adopted by the Committee in conducting business.

64. The Chairman of the Committee shall, if present, preside at all meetings of the Committee held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and failing both, the chair shall be taken by one of the members of the Committee who shall be appointed by the other members of the Committee present at such meeting.

65. In case of a tie in voting in Committee the Chairman for the time being shall have a casting vote in addition to his own vote.

66. Five members of the Committee shall constitute a quorum.

67. The Committee shall meet at least once in every month.

Powers of the Committee.

68. The Committee shall have power to require from any member an explanation as to any act done or conduct pursued by such member which in the opinion of the Committee shall be in contravention of the rules of the Association or to the detriment or discredit of the Association or shall be injurious to the welfare and interests of the Association. If any such explanation shall be refused or having been given shall be deemed unsatisfactory, the Committee shall cause a Special General Meeting of the Association to be convened to consider the acts and conduct of such member, and the Association shall have power if a

quorum be present at such Special General Meeting to resolve by a majority of not less than two-thirds of the votes cast at the meeting to declare that such member is expelled from the Association.

69. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association and shall not be entitled to claim any refund on account of subscription which may have already been paid.

70. Previous to each Annual General Meeting of the members of the Association, the Committee shall prepare a report of the proceedings of the Association during the year prior to such General Meeting and shall cause the same to be printed and shall send at least one printed copy thereof to each member of the Association not less than seven days prior to the date fixed for the said Annual General Meeting. The Committee may also, if they see fit to do so, send any one or more copies of the said report to any individual or Corporation or Association to whom or to which they may think it desirable in the interests of the Association to send the same.

71. The Committee shall have authority to appoint Solicitors to the Association and the Committee may consult them whenever they deem it expedient to do so.

72. At the first meeting of the Committee held after the holding of the Annual General Meeting of the members of the Association in each year, the Committee shall appoint three or more of their number to form a Sub-Committee for the purpose of deciding questions other than arbitrations, arising under the rules of the Association relating to the registration of trade marks, and the decision of such Sub-Committee on such questions shall have the same effect as if given by the entire Committee. Any vacancy which may from time to time occur in any such Sub-Committee shall be filled by the Committee by the appointment thereto of another member of the Committee.

73. The Committee may from time to time appoint a Sub-Committee to investigate and to report upon any matter whatsoever and may invite any member of the Association not being a member of the Committee to serve on any such Sub-Committee, or may consult any outside authority if for any special reason such a course may seem to them advisable.

74. Sub-Committees other than a Sub-Committee appointed under Rule 72 shall have no executive or substantive power or authority, and the duty of every Sub-Committee shall be to report to the Committee the result of its investigations, deliberations or other proceedings.

Duties of Secretary & Assistant Secretary.

75. A Secretary of the Association shall be appointed and his remuneration shall be fixed by the Committee. The Secretary shall devote himself entirely to the business and affairs of the Association except in cases where he has received the special permission of the Committee. He shall have charge of all correspondence and shall keep an account of the funds of the Association and of funds connected with or in any way controlled by the Association. He shall have the care of the rooms, furniture, library, pictures and of all documents belonging to the Association. He shall give notice as desired by the Chairman or Deputy Chairman of all meetings of the Association, of the Committee, of the Departmental Committees and Sub-Committees of the Association and of all Associations working in connection with the Association. He shall duly notify members of their election, collect all dues from members of the Association or from any Committee or any Association working in connection with the Association. He shall prepare the Annual Report of the Association and the reports of all Committees and of all Associations connected with the Association under the guidance of the Chairman and the Committee and generally shall perform all such duties as are incidental to his office and generally act under the orders of the Chairman or in his absence of the Deputy Chairman and the Committee. In all matters appertaining to the detailed duties of his office as above enumerated he shall follow the policy and instructions laid down by the Chairman or in the absence of the Chairman by the Deputy Chairman.

76. An Assistant Secretary of the Association may be appointed, and if so appointed, his remuneration shall be fixed by the Committee. The Assistant Secretary shall during any temporary absence of the Secretary owing to sickness or any other cause or during the absence of the Secretary on leave perform all or any of the duties of the Secretary as may be assigned to him.

77. Minutes of all proceedings of the Committee shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time. **Minutes Book of the Committee.**

78. A general meeting of the members of the Association to be called the Annual General Meeting shall be held in each year at such time as the Committee may appoint. **General Meetings of Members.**

79. The Committee may also at any time call a General Meeting should it seem to them expedient to do so.

80. If any four members of the Association shall by a requisition in writing signed by the said four members respectively addressed to the Committee and containing a statement of their reasons for the requisition request the Committee to call a General Meeting of the members of the Association the Committee shall call such General Meeting to be held within fourteen days after the receipt by the Committee of the said requisition, and if the Committee shall refuse or neglect to call such General Meeting to be held within the time aforesaid, the said four members who shall have signed the said requisition, shall have power themselves to call such General Meeting to be held on such day as they themselves shall appoint.

81. Seven clear days' notice of every Annual General Meeting shall be given by advertisement in at least one English and one vernacular newspaper published in Bombay and seven clear days' notice shall also be given to members of every Special General Meeting, except Urgent General Meetings specially convened by the Chairman or the Committee.

82. No business shall be transacted at any General Meeting unless a quorum according to these rules shall be present at such meeting.

83. At any General Meeting a quorum shall be constituted if the number of votes of the members represented at the meeting shall exceed 25 per cent. of the total number of votes of all the members for the time being of the Association.

84. If on the day originally appointed for holding a General Meeting a quorum according to these rules shall not, within thirty minutes of the time appointed for the commencement of the meeting, be present, the meeting shall be adjourned to such time on such day not being less than 10 days thereafter as the Committee may determine and if a quorum shall not, within fifteen minutes after the time appointed for the commencement of such adjourned meeting, be present, the members then present shall constitute a quorum and may transact the business for which the meeting was convened.

85. Whenever any meeting shall be adjourned under Rule 84 on the ground that a quorum was not present within the prescribed time, seven clear days' notice shall be given by the Committee by advertisement in at least one English and one vernacular newspaper published in Bombay of the day and time to which such meeting shall have been adjourned.

86. The Chairman of the Committee shall, if present, preside at all General Meetings of the members of the Association held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and, failing both of these, the Chair shall be taken by one of the members of the Committee, who shall be appointed by the other members of the Committee, present at such meeting.

87. The voting at any General Meeting shall be in the first instance, by show of hands, but this shall not preclude any member present from demanding a poll. If a poll is demanded the number of votes to which each member shall be entitled shall be calculated in accordance with Rule 6. The result of a poll shall supersede a vote taken by show of

hands. In the case of a tie in voting at any General Meeting the Chairman for the time being of the meeting shall have a casting vote.

88. Minutes of all proceedings at every General Meeting of the members of the Association shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time.

89. Every resolution which shall have been duly passed according to these rules at any General Meeting of the members of the Association shall be binding upon all the members of the Association.

Special General Meeting for concerted general action.

90. All proposals or recommendations for concerted general action respecting the mills which the Committee of the Association may consider to be concerned in respect to a strike, lockout, short-time working or organised lessening of production, payment of bonus, increases or reductions in wages, or any other matter whatsoever, shall only be adopted if passed by a majority of not less than 85 per cent. of the votes cast at a Special General Meeting duly called for the purpose of considering such proposals or recommendations.

Expulsion of members for contravening resolutions adopted at the General Meeting.

91. Any member of the Association who shall contravene the terms of any proposal which has been approved and adopted by the members of the Association under Rule 90 hereof shall be liable to be summarily expelled from the Association by a resolution of the Committee declaring that such member is expelled; provided that such resolution shall be passed by a majority of not less than three-fourths of the members of the Committee present at a Special Meeting called for the purpose of considering such contravention.

92. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association, and shall not be entitled to claim from the Association any refund on account of subscription which may have already been paid.

93. A firm or Joint Stock Company or other Corporation which shall be expelled under the last preceding rule shall be eligible for re-election after the expiry of six months from the date of expulsion provided not less than three members in addition to the proposer and seconder concur in the proposal for re-election.

Funds and properties of the Association.

94. The control of the funds of the Association shall be vested in the Committee, who in addition to the powers expressly conferred on them by these rules may exercise all such powers, and do all such acts and things as may be exercised or done by the Association and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting.

95. If at any time during the year the funds at the disposal of the Committee are insufficient or are likely to be insufficient to defray the estimated expenditure for the remaining portion of the year, then the Committee shall, in such case, call a General Meeting of the members of the Association and lay the accounts of the Association before such meeting.

96. The Committee shall cause proper books of account to be kept of the transactions of the Association and of the assets, credits and liabilities thereof, which books of account shall be kept at the office of the Association or at such place or places, and in the charge of such person or persons as the Committee may from time to time direct.

97. At least seven days previous to each Annual General Meeting of members of the Association the Committee shall send to each member of the Association a duly audited income and expenditure account, and a balance-sheet, containing a summary of the property and liabilities of the Association and made up to the 31st December of the year immediately preceding the meeting, and such account and balance-sheet shall be laid before the members at the Annual General Meeting of the Association in each year.

98. The Committee for the time being shall have power to invest and deal with any of the moneys of the Association not immediately required for the purposes thereof in such securities and in such manner as they may think fit and from time to time to vary or realise such investments.

99. The Committee shall have the power to determine the manner in which bills, loans, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed or executed by and on behalf of the Association.

100. There shall be two Trustees of the Association and the first Trustees shall be Mr. H. P. Mody and Mr. Ratansi D. Morarji. Subsequent Trustees shall be appointed by resolution of the Committee. Any person for the time being entitled to act and vote for a member shall be eligible as a Trustee. Any Trustee who shall cease to be entitled to act and vote for a member shall *ipso facto* cease to be a Trustee. Any Trustee may be removed by a majority of three-fourths of the members of the Association present at a meeting duly convened for the purpose of considering such removal.

101. All the funds and properties of the Association shall be vested in the Trustees who shall have the custody of all securities and documents of title relating thereto and shall deal with and dispose of the same and the income thereof in accordance with the written directions from time to time given to them by the Committee for the time being.

Responsibility of the Chairman, Deputy Chairman, Secretary & members of the Committee.

102. Neither the Chairman, Deputy Chairman, nor any ordinary member of the Committee nor the Secretary nor any Trustee shall be answerable for anything other than his own acts or defaults, nor shall he be answerable for any act done by him for the sake of conformity only, nor for any moneys of the Association other than such as shall come into his own hands, nor for any collector or receiver of moneys appointed by the Committee, nor for any misfortune, loss or damage happening to the Association by reason of any deed done or executed by him as a Chairman, Deputy Chairman or ordinary member of the Committee or as Secretary or Trustee, nor by reason of any error in judgment or mere indiscretion on his part in the performance of his duties, nor otherwise on any account, except for wilful negligence or fraud. Every person being Chairman, Deputy Chairman, or an ordinary member of the Committee or Secretary or Trustee of the Association, his heirs, executors or administrators shall at all times be indemnified and saved harmless out of the funds of the Association from and against all costs, losses, damages and expenses whatsoever incurred or sustained by him in the execution of his power or duties, and every person having been or being a Chairman, Deputy Chairman, or ordinary member of Committee or Secretary or Trustee of the Association, his heirs, executors and administrators shall be indemnified and saved harmless out of the funds of the Association against all actions, suits, claims and demands whatsoever brought or made against him or them in respect of any engagement of the Association save such as may be incurred by his own personal wilful neglect or default.

The date when the rules come into force & the mode of altering the rules.

103. These rules shall come into force on the First day of March 1925 on which date the present rules shall stand cancelled. No alterations in these rules shall be made save and except by a majority of not less than three-fourths of the votes cast at a General Meeting of the members of the Association duly convened and held for the purpose of considering such alteration, the terms of which shall have been fully set forth in the notice convening the meeting.

RULES FOR THE REGISTRATION OF TRADE MARKS.

Revised and adopted down to the Annual General Meeting of the Association held on 26th February 1924

Interpretation.

1. Throughout all these rules the following words shall bear and include the following meanings :—

(*a*) 'The Association' means the Bombay Millowners' Association.

(*b*) 'Member' means a member of the Bombay Millowners' Association.

(*c*) 'The Secretary' means the Secretary of the Bombay Millowners' Association.

(*d*) 'The Managing Committee' means the Managing Committee of the Bombay Millowners' Association

(*e*) 'Trade mark' includes 'ticket' and 'stamp.'

(*f*) 'Colourable imitation' includes a trade mark, which is likely to become known by or to acquire the same name as that by which another trade mark is already known or which such other trade mark has already acquired.

Essentials of a registrable trade mark.

2. For the purposes of these rules a registrable Trade Mark must consist of a distinctive mark, device or design not being a name, signature or word or words (invented or otherwise) either alone or in combination with one or more of the following :—

(*a*) The name of a Company, individual or firm represented in a special or particular manner.

(*b*) An invented word or invented words.

(*c*) A word or words having no direct reference to the character or quality of the goods and not being according to its ordinary signification a geographical name or surname.

Provided—

(1) that any trade mark registered in the Permanent Register of the Association prior to the 31st March 1924 shall be registrable as a trade mark under this Rule ;

(2) that no trade mark shall be accepted for registration which contains or consists of any scandalous design, or any matter the use of which would by reason of its being calculated to deceive or otherwise be disentitled to protection in a Court of Justice, or would be contrary to law or morality ;

(3) that no trade mark shall be accepted for registration which contains or consists of a representation of the Royal Arms (or Arms so closely resembling the Royal Arms as to be calculated to deceive), or of a photograph or photographs of any member or members of the Royal Family.

Classification of goods.

3. All goods to which these rules apply shall be divided into the following classes :—

Class 1.—Cotton yarns and threads being either grey or bleached.

Class 2.—Cotton yarns and threads being coloured either in whole or in part.

Class 3.—Cotton piece-goods of all kinds.

Registers.

4. The Association shall keep two registers, one of which shall be called 'The Permanent Register' and the other 'The Suspense Register.'

5. Every member shall send to the Secretary an application in writing addressed to the Secretary and signed by the member or by some person duly authorized to sign the same on behalf of the member, to register with the Association every trade mark, not already registered by such member with the Association, which is or is to be the property of such member and which such member desires to apply to any produce of the mill or mills, factory or factories owned by such member.

Duty of members to register trade marks and mode of applying to register same.

6. Every such application shall specify the name by which the trade mark to which the application relates is intended to be known and the class or classes of goods to which the trade mark is intended to be applied and shall be accompanied by one copy of the trade mark for the use of the Association and also by such further number of copies thereof as the Managing Committee may from time to time prescribe in that behalf, regard being had to the total number of members.

7. Every member shall send to the Secretary such number of copies of every trade mark which is the property of a dealer dealing with such member, and which such member intends to apply to any produce of the mill or mills, factory or factories, owned by such member as the Managing Committee may from time to time prescribe in that behalf, regard being had to the total number of members, accompanied by a statement in writing specifying the name by which any such trade mark is intended to be known, and the class or classes of goods to which the trade mark is intended to be applied. The Secretary shall so soon as may be after the receipt thereof send to every member a copy of such trade mark together with a copy of such statement.

8. The Secretary shall forthwith on receipt of an application for registration of a trade mark with the Association made in conformity with these rules enter the said trade mark in the 'Suspense Register' for use on goods of the class or classes specified in the application.

Secretary to enter every trade mark which a member shall apply to register in the Suspense Register.

9. The Secretary shall so soon as may be after any application shall have been made for the registration of any trade mark with the Association, send to every member a copy of such application with an intimation of the date when it was made and that such trade mark has been entered in the Suspense Register and shall also send with such intimation one copy of such trade mark, and also if the application shall have been accompanied by a notification in conformity with Rule 21 that the member, who shall have made the application, is not willing to refer to arbitration any matter relating to the application, one copy of such notification and shall after the expiration of three weeks from the date of the despatch of such intimation send a reminder to each member who shall not in the interval have acknowledged the receipt of such intimation or otherwise intimated that such intimation has been received by such member.

Notice of every application to register a trade mark to be sent to every member.

10. The entry of a trade mark in the Suspense Register shall not confer upon the member upon whose application the same shall have been so entered any right against any other member in respect of the trade mark so entered save and except a right to apply for the removal of any other trade mark from the Suspense Register as in Rule 11 hereinafter set forth.

Effect of entry of trade mark in Suspense Register.

11. Any member may apply that any trade mark which has been entered in the Suspense Register may be removed therefrom on the ground that it is an imitation colourable or otherwise of another trade mark which at the time of the entry of the trade mark objected to was then already in the Suspense Register and had been entered therein on application of the member applying for such removal and was intended to be applied to the same class or classes of goods as the class or classes to which the trade mark objected to is intended to be applied.

Applications for removal of trade mark from the Suspense Register.

12. Every application for removal of a trade mark from the Suspense Register shall be made in writing addressed to the Secretary and signed by the applicant or by some person duly authorized to sign on behalf of the applicant and shall set forth the ground on which the same is made.

13. Every application for removal of a trade mark from the Suspense Register shall be determined, in the manner hereinafter prescribed ; and if, when the same shall have been so determined, the application shall be upheld, the trade mark for the removal of which the application shall have been made, shall forthwith be removed from the Suspense Register.

Objections to entry of a trade mark in the Permanent Register.

14. Any member may object to any trade mark being entered in the Permanent Register on the ground that such trade mark is an imitation colourable or otherwise of a trade mark which has already, on the application of such objecting member, been entered in the Permanent Register for use on goods of a class or classes similar to the class or classes of goods to which the trade mark, in respect of which an application has been made, is intended to be applied, and that such trade mark, so already entered, is habitually applied by such objecting member to such class or classes of goods.

15. Every such objection shall be made within one month after the application to register the trade mark objected to shall have been made and shall be in writing addressed to the Secretary and signed by the objecting member or by some person duly authorized to sign on behalf of the objecting member and shall set forth the grounds of objection.

16. Any member may within three calendar months from the date of his becoming a member for the first time apply that any trade mark which shall have been registered in the Permanent Register, at any time before the expiration of the said period of three months, shall be removed therefrom on the ground—

That the trade mark so already registered in the Permanent Register is an imitation colourable or otherwise of a trade mark for the registration of which such member has applied for use on goods of a class or classes similar to the class or classes of goods to which the trade mark so already registered in the Permanent Register is applied, and that such trade mark for the registration of which such newly joined member has so applied as aforesaid has been habitually applied by such newly joined member to the said class or classes of goods.

17. When any member being the owner of a mill shall have ceased to be a member for any reason, other than expulsion, and shall subsequently again become a member by virtue of the ownership of the same mill, or, when any mill, being the property of a member, shall have passed to a new owner and such new owner shall become a member by virtue of the ownership of the said mill, such member, who shall have again become a member, may at any time, within one month from the date of his having so again become a member or such new owner, who shall have become a member, may at any time within one month from the date of his becoming a member apply—

(*a*) That a trade mark which shall have been entered in the Permanent Register subsequent to the date on which such member shall have ceased as aforesaid to be a member but prior to the date of the application under this Rule or subsequent to the date when such mill as aforesaid passed to such new owner as aforesaid but prior to the date of the application under this Rule, as the case may be, shall be removed from the Permanent Register ;

or

(*b*) That if any trade mark shall have been or shall be entered in the Permanent Register in compliance with an application for the registration of the same which has been made subsequent to the date on which such member shall have ceased as aforesaid to be a member but prior to the date of the application under this Rule, or subsequent to the date when such mill as aforesaid passed to such new owner as aforesaid but prior to the date of the application under this Rule, as the case may be, the said trade mark shall be removed from the Permanent Register, on the ground either in the case (*a*) or in the case (*b*)—

That the said trade mark is an imitation colourable or otherwise of a trade mark previously registered with the Association by the member who shall have so ceased to be a member as aforesaid or by the member who was for the time being the owner of the mill which has so passed to a new owner as aforesaid for use on goods of a class or classes similar to the class or classes of goods for use on which the trade mark so objected to shall have been registered and that a fresh application for the registration of the mark so previously registered as aforesaid has been made by the applicant.

18. Every application for removal of a trade mark from the Permanent Register shall be made in writing addressed to the Secretary and signed by the applicant or by some person duly authorized to sign on behalf of the applicant and shall set forth the grounds on which the same is made.

19. Every application under Rules 16 and 17 for removal of a trade mark from the Permanent Register shall be accompanied by twelve or such other number of copies as the Managing Committee may from time to time prescribe of the trade mark said by the applicant to have been previously registered with the Association.

20. If any member, being the owner of a trade mark which shall have been registered in the Permanent Register shall so alter the trade mark as in the opinion of a majority of the Trade Marks Sub-Committee to render it materially different, either in name or design, from the registered trade mark, and shall use the mark so altered on goods of a class or classes similar to the class or classes of goods for use on which registration of the original mark was obtained, the member concerned may be required to apply in the manner prescribed for registration of the altered trade mark as a new trade mark and in default of compliance with any such requisition within one month after receipt thereof by the member concerned, the altered trade mark shall be deemed an unregistered trade mark.

Liberty to refuse to refer to arbitration in certain cases

21. Notwithstanding anything contained in these rules or in the Form of Adherence prescribed under Rule 36 of the Rules and Regulations of the Association any member who shall have become a member for the first time may send a notification in writing addressed to the Secretary with any application, made by such member, to register a trade mark, which shall be sent to the Secretary within one month from the date when such member shall become a member notifying that he is not willing to refer to arbitration any matter relating to the application with which the notification is sent; and whenever any such notification is sent as aforesaid no member shall in the matter to which the notification relates be bound by the rules relating to arbitration.

22. In like manner, notwithstanding anything contained in these rules or in the Form of Adherence in Rule 36 mentioned, if any member who shall have received notice of any application to register a trade mark, which shall have been sent to the Secretary, by a member who shall have become a member for the first time, within one month from the date when such member shall have become a member shall object, in the manner prescribed by these rules, to the said trade mark being entered in the Permanent Register on the ground specified in Rule 14, such objecting member may send with such objection, a notification in writing addressed to the Secretary notifying that he is not willing to refer to arbitration any matter relating to such objection to the application of which he shall have so received notice as aforesaid and specifying such application and objection; and whenever any such notification is sent no member shall in the matter to which such notification relates be bound by the rules relating to arbitration.

Provided always that if a member who shall have become a member for the first time shall prove to the satisfaction of the Managing Committee that for a period of not less than five consecutive years immediately preceding the date when such member shall have become a member he has habitually applied the said trade mark to goods of a class or classes similar to the class or classes of goods to which such objecting member shall have habitually applied the trade mark of which the said trade mark is alleged by such objecting member to be an imitation colourable or otherwise, then such objecting member shall be deemed to have sent to the Secretary such a notification in writing as above mentioned, and the provisions of Rules 37 to 43 (inclusive) so far as the same are applicable shall forthwith operate and have effect.

Determination of questions relating to any application to register a trade mark or to any application to remove a trade mark from the Suspense Register or from the Permanent Register, as to which notice of refusal to refer to arbitration has not been given.

23. All questions in dispute between two members arising out of or incidental to any

(a) application to register a trade mark,

(b) application to remove a trade mark from the Suspense Register,

(c) application to remove a trade mark from the Permanent Register,

shall, if no such notice, as is permitted by these rules, of unwillingness to refer to arbitration shall have been given in connection with the same, be determined by arbitration in the manner prescribed by the following rules :—

24. Either member may give the other member notice of the appointment of an arbitrator on behalf of the member giving such notice and may call upon such other member to appoint and to notify to the member who shall give the notice of the appointment of an arbitrator within seven days from the date of the giving of the notice; and on receipt of such notice such other member must, if he should desire to appoint an arbitrator, appoint him within seven days from the receipt of such notice and notify such appointment within the same time to the member from whom he shall have received the notice to appoint an arbitrator.

25. If the member to whom such notice as in Rule 24 mentioned shall have been given fail to appoint and to notify to the member who shall have given the notice of the appointment of an arbitrator within seven days from the service of the notice upon him the matter in dispute shall stand referred to the arbitrator already appointed as sole arbitrator.

26. If a matter in dispute shall stand referred to an arbitrator as sole arbitrator he shall make his award within fourteen days from the date when the matter in dispute shall first stand referred to him.

27. If two arbitrators shall be duly appointed in accordance with these rules, they shall within 3 days from the date when such one of them as was last appointed shall have been appointed and before proceeding with the reference appoint an umpire.

28. If two arbitrators and an umpire shall have been duly appointed, the two arbitrators shall, if they can agree upon their award, make their award within fourteen days after the appointment of the umpire.

29. If two arbitrators and an umpire shall have been duly appointed but the two arbitrators shall either fail to agree upon their award or fail to make it within fourteen days from the appointment of the umpire, the matter in dispute shall stand referred to the umpire.

30. When a matter in dispute shall stand referred to an umpire he shall make his award within fourteen days from the date when the matter in dispute shall stand referred to him.

31. If

(*a*) a matter in dispute shall stand referred to a sole arbitrator but such arbitrator shall fail, from any cause whatever, to make his award within fourteen days from the date when the matter in dispute shall first stand referred to him ;
or

(*b*) two arbitrators shall have been duly appointed but shall fail, from any cause whatever, to appoint an umpire within three days from the date of the appointment of such one of the arbitrators as shall have been last appointed ;
or

(*c*) a matter in dispute shall stand referred to an umpire but such umpire shall fail, from any cause whatever, to make his award within fourteen days from the date when the matter in dispute shall first stand referred to him ;

the matter in dispute shall in any of such cases stand referred to a referee who shall be appointed by the Managing Committee.

32. When a matter in dispute shall stand referred to a referee he shall make his award within fourteen days from the date when the matter in dispute shall first stand referred to him and it shall be deemed to stand referred to him so soon as he shall have been informed of his appointment by the Managing Committee.

33. The sole arbitrator, two arbitrators, umpire or referee, as the case may be, shall, when he or they make an award, reduce it into writing, sign it and forward it to the Managing Committee who shall file it in a separate file, in which such awards shall alone be filed.

34. Every award, whether made by a sole arbitrator, two arbitrators, an umpire or a referee, which shall be duly made under the authority of and in conformity with these rules, shall be conclusive and binding upon the parties to the arbitration in which the award was made and the Association shall give effect to it.

(*a*) No person shall be appointed an arbitrator, umpire or referee, under the foregoing rules, who shall not be either a member of the Association or a person entitled to act and vote on behalf of a member of the Association, and any appointment made in contravention of this rule shall be null and void.

Fees on arbitrations.

35. The following fees on arbitrations shall be chargeable by the Association to members :—

(*a*) In cases where there is a sole arbitrator, Rs. 15, which shall be paid by the member who has failed to appoint an arbitrator within the time prescribed by these rules.

(*b*) In cases where each party has appointed one arbitrator, the sum of Rs. 30, whereof each member, a party to the arbitration, shall pay Rs. 15.

(*c*) In cases where an umpire is appointed, Rs. 15, whereof each member, a party to the arbitration, shall pay Rs. 7-8-0.

(*d*) In cases where a referee is appointed, Rs. 15, whereof each member, a party to the arbitration, shall pay Rs. 7-8-0.

The sole arbitrator, two arbitrators, umpire or referee, as the case may be, shall have power to direct by any award made by him or them under these rules that any fee paid by any member, a party to the arbitration in which such award shall have been made, shall be refunded to him by the other member, a party to the said arbitration.

36. The Association shall, whether the fees payable under these rules in connection with any arbitration shall have been duly paid to it or not, pay to each arbitrator, umpire and referee who shall have acted in such arbitration a fee of Rs. 15.

Procedure when any application made to register a trade mark, or any objection made to register a trademark as to which notice of refusal to refer to arbitration has been given.

37. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, make

(*a*) any application to register a trade mark,

or

(*b*) any objection to a trade mark being entered in the Permanent Register,

accompanied by a notification that the member is not willing to refer to arbitration any matter relating to the application or objection, as the case may be, with which the notification is sent, no steps shall be taken by the Association in the matter of the application or objection specified in such notification for a period of two months from the receipt by the Secretary of such notification.

38. Any member, who shall have made any such application or objection as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, may, at any time during the said period of two months in the said Rule 37 mentioned, institute legal proceedings either to establish the right of such member to the trade mark to which such application or objection relates or to restrain any other member from using such trade mark or to procure the punishment of such member for using the same and such proceedings may be taken either in a Civil or a Criminal Court.

39. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, have made any such application as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, and at the expiration of the said period of two months in the said Rule 37 mentioned, no such legal proceedings as in Rule 38 mentioned shall have been instituted in connection with the trade mark to which the application relates, the said application shall be rejected and the said trade mark be removed from the Suspense Register and shall not be entered in the Permanent Register.

40. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, have made any such objection as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, and at the expiration of the said period of two months in the said Rule 37 mentioned, no such legal proceedings as in Rule 38 mentioned shall have been instituted in connection with the trade mark to which the objection relates, the said objection shall be rejected, and the application to register the trade mark, to which such objection relates, shall be dealt with under these rules, as if no such notification had been given.

41. If, within the said period of two months in Rule 37 mentioned, such legal proceedings as in Rule 38 mentioned shall have been instituted, no steps shall be taken in the matter of the application or objection concerning the trade mark to which such legal proceedings relate until such legal proceedings shall have been finally determined.

42. When such legal proceedings as in Rule 38 mentioned shall have been finally determined, if it shall have been held by the Court :—

(*a*) That a trade mark, to register which an application shall have been made, or in respect of which an objection to the same being entered in the Permanent Register shall have been made, is an imitation colourable or otherwise of another trade mark, the trade mark so held to be an imitation colourable or otherwise shall not be registered ;

or, if it shall have been held by the Court—

(*b*) That a trade mark, to register which an application shall have been made, or in respect of which an objection to the same being entered in the Permanent Register shall have been made, is not an imitation colourable or otherwise of another trade mark, the same shall, if it be in the opinion of the Managing Committee a proper mark to be registered as a trade mark, be entered therein.

43. The production to the Managing Committee of a certified copy of a decree passed by a Civil Court of competent jurisdiction in British India from which no appeal lies or in respect of which the time for appealing has expired or the production of a certified copy of a judgment of a Criminal Court from which no appeal lies, or in respect of which the time for appealing has expired, shall be conclusive evidence of everything therein appearing to have been held, decided or found, and the Managing Committee shall act in accordance therewith.

All trade marks registered with the Association on or before the First day of April 1912 to be entered in the Permanent Register.

44. All trade marks which shall have been registered with the Association on or before the First day of April 1912 either under the Rules for Primary Registration or under the Rules for Secondary Registration, which were in force prior and down to the said First day of April 1912, shall be entered in the Permanent Register and shall be deemed respectively to have been entered therein as of the respective dates on which the same were originally registered with the Association.

Effect of entry of trade mark in Permanent Register.

45. Registration of a trade mark in the Permanent Register under these rules for use on goods of the class or classes specified in the entry in such register shall, *prima facie*, be held to secure to the said member an exclusive right as against all other members to the use of the said trade mark on goods of the class or classes so specified.

46. These rules shall come into force on the First day of April 1924 on which date they shall supersede all other rules relating to the Registration of Trade Marks.

BOMBAY MILLOWNERS' ASSOCIATION.

RULES FOR ARBITRATIONS ON PIECE-GOODS.

WHEREAS it has been represented to the Bombay Millowners' Association, hereinafter called the Association, that it is desirable that disputes and differences between members and merchants should be more speedily and economically settled, and whereas it is considered desirable that judgments should be framed by competent practical authorities on Indian piece-goods, the following Arbitration Rules have been framed as a means to these ends:—

Panel of Arbitrators.

Rule 1.—There shall be appointed triennially by the Committee of the Association a panel of Arbitrators consisting of thirty members. Fifteen Arbitrators shall be selected from amongst the representatives of members of the Association, and the remaining fifteen Arbitrators shall be selected by the Committee of the Association from amongst the dealers in Indian-made piece-goods.

Panel of Umpires.

Rule 2.—From amongst the panel of Arbitrators elected in accordance with Rule 1, the Committee of the Association shall elect triennially six persons, who shall be eligible to act as Umpires in any disputes submitted to the Association for arbitration.

Secretary

The Secretary or Acting Secretary for the time being of the Association shall be, and is hereby appointed to act as Secretary in all arbitrations conducted by the Association in accordance with these rules.

He shall also keep a record in the form, from time to time prescribed by the Committee of the Association, of all arbitrations conducted by the Association, receive all fees in connection therewith and keep the necessary books of account, and shall diligently perform all other duties prescribed by, or necessary under these rules.

Appointment of Arbitrators.

Rule 3.—In all cases in which any dispute has arisen in relation to a piece-goods contract which provides for a decision thereon by the Association, or in relation to any piece-goods contract in respect of which the parties thereto have subsequently agreed in writing to submit to such a decision, each party to the dispute shall appoint an Arbitrator to act on his behalf. The Arbitrators so appointed shall in all cases be chosen from the panel of Arbitrators elected in accordance with Rule 1.

Rule 4.—The appointment of Arbitrators in accordance with Rule 3 shall be made in writing addressed to the Secretary upon Form I prescribed by the Association, and shall be signed by both parties to the dispute or persons duly authorised to sign on their behalf.

Appointment of Arbitrator by one party.

Rule 5.—Where a dispute has arisen or differences exist with reference to a contract which provides for arbitration in accordance with these rules, then, notwithstanding anything in Rules 3 and 4, either party to the dispute may, by notification to the Secretary on Form II, appoint an Arbitrator to act on his behalf, such Arbitrator to be chosen from the panel of Arbitrators elected in accordance with Rule 1.

Notification to other party.

Rule 6.—Upon receipt of a notification of the appointment of an Arbitrator by one party in accordance with Rule 5, the Secretary shall give written notice to the other party to the dispute of the appointment of an Arbitrator by the first party and shall call on the second party to appoint an Arbitrator.

Reference to sole Arbitrator, if second Arbitrator is not appointed after 15 days.

Rule 7.—Upon receipt of a written notice in accordance with Rule 6, the notified party shall within fifteen days appoint an Arbitrator, selected from the panel of Arbitrators, to act on his behalf. The appointment of an Arbitrator under this rule shall be made upon Form III and sent to the Secretary of the Association.

If, after due notice as aforesaid, the party fails to appoint an Arbitrator to act on his behalf, the dispute shall stand referred to the Arbitrator appointed by the other party under Rule 5 as sole Arbitrator, and any award which he may make shall be final and binding upon both parties.

Rule 8.—Before proceeding to adjudicate in any dispute in which two Arbitrators have been appointed in accordance with the preceding rules, the Arbitrators shall select an Umpire and communicate the name of the Umpire so selected to the Secretary of the Association. The Umpire so chosen shall be selected from the panel of Umpires appointed in accordance with Rule 2 and his name shall not be communicated to the Secretary unless he has consented to act.

Rule 9.—If the Arbitrators are unable to agree as to their Umpire, they shall notify the Association of their disagreement and shall request the Committee of the Association to appoint an Umpire from the panel of Umpires. Upon receipt of a notification that an Umpire has been appointed and has consented to act, the Arbitrators shall thereupon proceed with the hearing of the reference.

Rule 10.—If for any reason the Arbitrators fail to agree they shall within one month of entering upon the reference or within such extended time as is permitted by Rule 17 or Rule 18, refer the dispute, for adjudication by the Umpire.

Rule 11.—No Umpire shall be appointed to adjudicate in any dispute to which he or his employers are a party.

Arbitrators to be disinterested.

Rule 12.—In selecting Arbitrators the parties to the dispute shall ensure that no person is selected or shall adjudicate in any dispute in which he or his employers are interested, and that not more than one person from the same firm shall be appointed as an Arbitrator.

Rule 13.—If an Arbitrator or Umpire dies or for any reason becomes incapable of acting, a new Arbitrator or Umpire shall forthwith beappointed. Death of an Arbitrator or Umpire.

Rule 14.—The Arbitrators shall appoint a time and place for hearing of the reference and within seven days of the notice in that behalf the parties to the dispute shall prepare and submit written statements of their respective cases. Submission.

Rule 15.—If after a notice in accordance with Rule 14 a party to a dispute fails to submit a statement, the Arbitrators may without further notice proceed with the adjudication of the dispute at the time and on the date fixed for the hearing on the basis of the statement submitted by the other party. Submission by one party.

Rule 16.—If separate statements are put forward by each party, the Arbitrators may at their discretion cause a copy of each statement, with or without accompanying enclosures or extracts therefrom, to be submitted to the opposing party for information and remark if desired. Submission available for inspection by other party.

Rule 17.—The Arbitrators may, at their discretion, extend the time for the submission of a written statement but shall not be bound to receive or consider any written statement of either party, tendered after the expiration of the original or the extended time as the case may be.

Rule 18.—The Arbitrators or the Umpire shall have general authority to require from either or both of the parties to the dispute such further verbal or written statements, explanations, and other information, evidence and materials as they or he may consider necessary for the adjudication of the dispute and may, in such instances, by endorsement on the reference paper, extend the time for making an award by a period not exceeding one English calendar month. Power to call for extra or verbal evidence.

Rule 19.—The Arbitrators or the Umpire may proceed with the reference in the absence of any party who shall after due notice refuse or neglect to attend without having satisfied the Arbitrators or the Umpire, as the case may be, that good and sufficient reason exists for such neglect or refusal. Hearing in absence of one party.

Rule 20.—At the time appointed for the reference the parties shall have ready at the rooms of the Association or elsewhere as directed the sale samples duly attested, and if required sample packages or complete bales. Samples, packages or bales so sent will be at the sender's risk and must be accompanied by a peon in charge and by a cooper to open the packages. Sample for Inspection.

Rule 21.—The Arbitrators or the Umpire, as the case may be, may, with the consent of both parties, before making a final award, and at the expense of the parties to the dispute, consult and adopt the advice of Advice of Counsel.

solicitors or counsel on any question of law, evidence, practice or procedure arising in the course of the reference. In such instances the time for making an award may be extended by a period not exceeding one English calendar month.

Award to be made in certain time.

Rule 22.—When a dispute stands referred to two Arbitrators they shall make their award in writing in Form V, within one month of first entering upon the reference, or within the extended period allowed by them under Rule 17 or Rule 18.

Award of sole Arbitrator.

Rule 23.—When a dispute stands referred to a sole Arbitrator he shall make his award in writing on Form VI, within one month of first entering upon the reference, or within the extended period allowed by him under Rule 17 and Rule 18.

Umpire's award.

Rule 24.—When a dispute stands referred to an Umpire he shall make his award in writing on Form VII within fourteen days of entering upon the reference or within the extended time allowed under Rule 17 or Rule 18.

Award to bear appropriate stamps.

Rule 25.—The award in Forms V, VI or VII bearing stamps to the value laid down under the provisions of the Stamp Duties Act for the time being in force, shall be lodged with the Secretary and shall state clearly the liability of each party in respect of the fees, charges and expenses in connection with the arbitration.

Copies of award to disputants.

Rule 26.—When completed a signed copy of the award shall be sent by the Secretary to each of the parties to the dispute, for compliance with the terms thereof.

Extent of award.

Rule 27.—The Arbitrators or the Umpire may by their or his award determine what they or he shall think fit to be done by either of the parties concerned, respecting the matters referred.

Award binding on all parties.

Rule 28.—The parties shall in all things abide by and obey the award which shall be binding on the parties and on their respective representatives notwithstanding death or legal disability occurring to any party before or after the making of the award, and so that death or legal disability shall not operate as revocation of the submission.

Setting aside award.

Rule 29.—No objection shall be taken or be entertained to any application to file an award except and unless such objection is made upon the grounds laid down in Section 14 of the Indian Arbitration Act, 1899.

Further award.

Rule 30.—Whenever an award directs that a certain act or thing shall be done by one party to the reference and such party fails to comply with the award, the party in whose favour the award was made may make an application for a further award determining the amount of damages or compensation payable by reason of such failure, and the Committee of the Association on receipt of such application shall proceed to appoint

Arbitrators or an Umpire who may or may not be the same persons or person who made the first award. The arbitration on the said application shall then proceed in accordance with these rules and the award thereon may be filed separately or together with the original award.

Immunity of Arbitrators.

Rule 31.—Neither party to a dispute which has been submitted to arbitration as provided in these rules shall bring or prosecute any suit or proceedings whatsoever against the Arbitrators, or the Umpire, or the Secretary for the time being of the Association, for or in respect of any suit or proceedings save for the enforcement of the award against the other party.

Application of Indian arbitration laws.

Rule 32.—The provisions of the Indian laws relating to arbitration in so far as they are not inconsistent with these rules, shall apply in the conduct of all arbitrations conducted by the Association.

Fees.

Rule 33.—In respect of any arbitration conducted in accordance with these rules fees shall be paid in accordance with the following Schedule :—

SCHEDULE.

Rs. 15 for each Arbitrator.
Rs. 30 for any Umpire appointed in accordance with these rules.
Rs. 10 as fees due to the Association for clerical duties in connection with the arbitration and filing of the award.

Recovery of fees.

Rule 34.—A bill showing the amount due in respect of fees, stamp duties, etc., due to the Arbitrators, the Umpire, and the Association, by each party to the dispute shall accompany any copy of the award sent in accordance with Rule 26, and shall be paid within seven days of the receipt thereof.

Rule 35.—In addition to the fees mentioned in Rule 33 the parties to the dispute shall pay as and when demanded by the Secretary, and as set out in the award, all other fees or charges incurred during the arbitration in accordance with Rule 20.

Notices.

Rule 36.—All notices required by these rules to be given shall be in writing and shall be sufficiently given if left at the last known place of abode or business of the party to whom the notice is addressed, or if sent by post prepaid addressed to him by name at such place of abode or business, and not returned through the post as undelivered before the completion of the award in Forms V, VI or VII, and shall if sent by post be considered to have been given at the time at which the letter would in the ordinary course be delivered.

CONTRACT.

No._____ *Bombay*,_____192 .

We, the undersigned (hereinafter called "the Buyers"), hereby agree to purchase from_____(hereinafter called "the Company"), the undermentioned goods upon the following terms and conditions, that is to say:—

Quality No.	Description.	Dimensions.			No. of Bales.	Pieces in each Bale.	Total pieces.	Total lbs.	Rate nett at Mills.			Per	Quality as.	Finish as.	Fold.	Border.	Headings.	Designs.	Assortment of designs in each Bale.	Ticket or Stamps.
		In.	yds.	lbs.					Rs.	a.	p.									

1. The quality of the goods shall accord with the recognised standard quality cloth manufactured by the Company.

1-*a*. The quality of the goods shall accord with the sample submitted to and approved by the Buyers.

2. The Company does not guarantee, except where a particular assortment is specially stipulated, any fixed assortment in the deliveries of goods of various dimensions and patterns, and in such cases the Buyers shall take delivery of and pay as herein agreed for all bales (not exceeding the contract quantity) from time to time ready for delivery regardless of assortment.

3. The Buyers agree to accept at the price herein fixed an assortment of bales to the extent of 10 per cent. more or less than the contract quantity, but as regards such limit the Buyers shall not be obliged to take up more than 5 bales more or less of each sort, including any loose pieces of each sort.

4. In the case of goods sold at a fixed rate per pound the Buyers shall not raise any objection or claim compensation for short weight so long as the average weight per bale in each lot delivered does not vary from the invoice weight by more than 2 per cent. The Company does not guarantee the weight of any goods sold by the piece.

5. The Buyers shall not be entitled to any allowance or compensation for any deficiency in the width of Dyed, Bleached and/or Calendered goods when such deficiency does not exceed one inch.

6. In the case of a sale of ready goods, payment therefor shall be made and delivery thereof taken by the Buyers within eight days of sale.

7. In the case of a sale of goods for future delivery, the Buyers shall on the last day of each English Calendar month take delivery and pay for in cash against delivery of as many bales as shall have been made ready during that month and either at the Mill premises or at the godowns of the Company as the Company may direct.

8. The Company shall not be under any obligation to notify the Buyers of the number of bales ready for delivery at the end of each English Calendar month, but it shall be the duty of the Buyers to ascertain the number of bales ready for delivery from time to time and to pay for and take delivery of the bales accordingly ; if the Company shall notify the Buyers of the number of bales ready for delivery at any time, such notification shall be deemed to have been given as a matter of favour only and without any obligation or undertaking on the part of the Company to give notice in future.

9. In the event of the Buyers requesting the Company to despatch the goods either by rail, road or sea, and the Company acceding to such request, the goods shall be at the risk in all respects of the Buyers, from the time they leave the Mill premises or godowns of the Company, as the case may be, including the risk of delay in delivery due to the non-booking of the goods by the Railway or Shipping Company for which the Company takes no responsibility.

10. Where goods are to be delivered in lots or by instalments, this contract shall be deemed and construed as a separate contract in respect of each lot or instalment, and the rights and liabilities of the Company and the Buyers respectively shall be the same as though a separate contract had been made in respect of each lot or instalment.

11. All goods of which delivery shall not be taken by the Buyers in accordance with the terms of this contract, shall, as from the date on which delivery thereof ought to have been taken, be deemed to have been appropriated to this contract and the Buyers shall be deemed to have assented to such appropriation without any further consent on their part than is evidenced by their being parties to and signing this contract. From the date of such appropriation the said goods shall be held by the Company for the account of the Buyers and

at their sole risk as regards loss, damage, deterioration or otherwise and the price of the goods *plus* all charges shall carry interest in favour of the Company from due date at the rate of 9 per cent. per annum and the Company shall be entitled at its sole discretion and without any previous notice to the Buyers to sell the said goods on account and at the risk of the Buyers either by public auction and/or private sale and either together or in lots and at such time or times and on such terms and conditions as the Company may think fit. If the net sale proceeds of the goods shall be less than the amount due to the Company for the price of the goods *plus* interest and all charges, the Buyers shall pay the deficiency to the Company on demand.

12. The Company shall have a general lien on all goods of the Buyers for the time being in the possession of the Company (including goods already paid for but of which delivery may not have been taken by the Buyers) for the total amount due to the Company for the time being under this contract and also for any amount due to the Company under any other contract with the Buyers either alone or jointly with another or others.

13. In respect of all goods of which delivery shall not be taken by the Buyers on the due date the Buyers agree to pay to the Company on demand annas 8 per bale per month or any part of a month for godown rent and annas 4 per bale per month or any part of a month for insurance calculated from the due date for taking delivery thereof to the date on which actual delivery shall be taken by the Buyers.

14. If any goods while in the possession of the Company shall be destroyed and/or damaged from any cause whatsoever after the due date for delivery thereof to the Buyers any sum recovered from the insurance of such goods against such destruction and/or damage may be applied by the Company in satisfaction in whole or in part, as the case may be, of the price of the said goods *plus* interest and all charges, and if the sum so recovered shall be less than the price of the said goods *plus* interest at 9 per cent. and all charges the Buyers shall pay the deficiency to the Company on demand, and on the other hand if the sum so recovered shall be greater than the price of the said goods *plus* interest at 9 per cent. and all charrges, the Sellers shall pay the excess so recovered to the Buyers on demand.

15. If the Company shall be unable to deliver the whole or any part of any goods sold for future delivery by the time specified for delivery thereof by reason of the mills working short time, or its being expedient to stop the mills temporarily or by reason of fire, war, stoppage or hindrance in the supply of raw materials or fuel, explosion, accident, strike, riot, lockout or other disorganisation of labour or transport, breakdown of machinery, or any other inevitable or unforeseen event of any kind whatsoever directly or indirectly interfering with the working or the full working of the mills, the Buyers shall take delivery of such bales as the Company may be in a position to deliver (if any) and the time for completing the contract shall, as regards the bales not ready by the specified time, be extended for such time as the Company may reasonably require to make up for the delay caused by stoppage, hindrance to or interference with the working of the mills or any other of the events or circumstances before mentioned, PROVIDED ALWAYS that should the inability to deliver be continuous during period of three consecutive English Calendar months then the Buyers shall be entitled by notice in writing of their intention to do so, to cancel the contract in respect of any bales then remaining to be manufactured.

16. If for any other reasons than those mentioned in the last preceding clause any portion of the contract goods is not ready for delivery by the specified time, it shall be lawful for the Buyers at their option either to cancel the contract in so far as it relates to the balance of the goods not then ready for delivery, or to extend the time of delivery for such period as the Company may reasonably require, not exceeding one month, PROVIDED ALWAY that if the Buyers shall elect to cancel the contract it shall be incumbent upon them to give to the Company within seven days after the due date for delivery of the goods not then ready notice in writing of their intention to cancel, and in default of such notice within the time aforesaid the Buyers shall be precluded from cancelling the contract and the time for delivery shall be deemed to have been extended for such period as the Company may reasonably require, not exceeding one month, to make ready for delivery the balance of the goods then undelivered.

17. In any of the cases provided for in the last two preceding clauses the Buyers shall not be entitled to make any claim for damages, allowance, compensation or otherwise in respect of such non-delivery or late delivery and shall pay for the goods delivered a price which shall bear the same proportion to the total price of all the goods as the goods delivered bears to all the goods agreed to be delivered, and in the event of the time for delivery being, or being deemed to have been extended, all the provisions of this contract shall apply equally to the extended time as to the time originally specified, including therein the remedies reserved to the Company for failure on the part of the Buyers to pay for and take delivery of the goods when ready within the extended period and including the liability of the Buyers for interest.

18. The Buyers shall not be entitled to make any claim for an allowance or otherwise in regard to the condition of the goods when once the goods have left the mill premises or the godowns, as the case may be, of the Company.

19. The Buyers shall not be entitled to make any claim for an allowance or otherwise on the ground that the goods delivered are not in accordance with the contract unless notice in writing of their intention to make such claim shall have been given to the Company within one calendar month after the date of actual delivery of the goods to the Buyers or to a carrier or other agent on behalf of the Buyers. In default of any such notice the goods delivered shall be deemed to be in all respects in accordance with the contract.

20. In the event of any goods the subject of this contract or any portion thereof being destroyed or so damaged by fire, water or other cause beyond the control of the Company as to render them unmerchantable while stored at the mills or godowns of the Company pending due date for delivery, the contract in respect of such goods shall be deemed to have been cancelled by mutual consent and the Buyers shall have no claim whatsoever against the Company in respect of such goods, but if the price of such goods shall have been then paid the Buyers shall be entitled to a refund thereof.

21. All disputes and questions whatsoever which shall arise between the parties hereto out of or in connection with this agreement or as to the construction or application thereof or the respective rights and obligations of the parties hereunder or as to any clause or thing herein contained, or any account or valuation to be made hereunder or as to any other matter in any way relating to these presents, shall be referred to arbitration in accordance with the rules of the Bombay Millowners' Association for the time being in force regulating arbitrations with respect to piece-goods.

22. Notwithstanding any such reference to arbitration as aforesaid the Buyers shall take delivery of the goods the subject of the reference and pay for the same as herein agreed, and unless the arbitration award is to the effect that the goods under dispute are "no tender" the Buyers shall be bound to accept the said goods on payment by the Company of the allowance (if any) awarded to the Buyers. If, however, the arbitration award is to the effect that the goods are "no tender" the Buyers shall be entitled to invoice back the said goods with any penalty the arbitrators may award.

23. Nothing appearing in the contract in any vernacular language, save only the name or signature of the Buyer or his Agent, shall be binding upon the Company.

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND RULES.

Name.

Rule 1.—The Fund shall be called the Bombay Millowners' Association Provident Fund.

Definitions.

Rule 2.—In these rules, unless there is something repugnant in the subject or context—

" Association " means the Bombay Millowners' Association.

" Committee " means the Committee for the time being of the Bombay Millowners' Association.

" Trustees " means the Trustees of the Fund for the time being as hereinafter provided.

" Salary " or " Pay " means only the fixed monthly salary received by each employee from the Association and does not include any acting, officiating or personal allowance, bonus, commission or other remuneration or profit whatever uncertain in amount or derived by any employee by any means, outside his fixed ascertained salary.

" Fund " means the Provident Fund constituted hereunder.

" Member " means any person in the service of the Association who is also a subscriber to the Fund.

" Service " means continuous service ; and the test whether service is continuous is the payment to an employee of a salary continuously during the period of service, and dates from the beginning of each employee's service, whether such service begins before, on, or after 1st May, 1924 : Provided that an employee who is granted leave on loss of pay shall not thereby be considered as having broken the continuity of his service. In the case of an employee who may have left the service of the Association for any reason and has been subsequently re-engaged, his service will be reckoned from the date of his re-engagement.

" Employee " means a salaried officer or servant of the Association.

Object of the Fund.

Rule 3.—The object of the Fund shall be to provide every employee, who is a member, with a sum of money, the amount of which will be ascertainable according to these rules, on termination of his service with the Association.

Management of Fund.

Rule 4.—The Fund shall be managed by the Committee of the Association for the time being whose decision shall be final and binding upon all members.

Trustees of Fund.

Rule 5.—The Committee shall appoint annually two of their number to be Trustees of the Fund, in whom the Fund shall be vested.

In the event of a vacancy occurring in any year the Committee shall appoint another of their number to fill the vacancy for the remainder of the year.

Compulsory contribution.

Rule 6.—Contribution to the Fund shall be compulsory on all permanent employees of the Association who are in receipt of pay exceeding Rs. 60 per mensem, but employees whose service with the Association commenced previous to 15th April, 1924, shall have the option of joining, such option to be declared by the 15th May, 1924.

Rules binding on all members.

Rule 7.—These Rules shall operate to bind every member who shall become a member by exercising his option under Rule 6 in the same way as if he had become a member by entering the service of the Association after the said 15th April, 1924.

Rule 8.—Every employee who shall be or become a member shall be subject to these rules, and shall sign an agreement in the Form A annexed to these rules. Agreement to be signed.

Rule 9.—Every member shall contribute 8⅓ per cent. of his salary to the Fund, which shall be deducted from his pay on the last day of each month. Scale of member's contributions.

Rule 10.—The Association will, on the 30th June and the 31st December, in each year contribute and pay to the Fund a sum which shall be equal to the aggregate contributions of all the members during the half-year preceding each of such days respectively. Association's contributions.

Rule 11.—The contribution of any employee absent on leave or furlough shall, during the period of such absence, be assessed on the salary allowed to him during such absence, but any employee shall be at liberty, subject to the consent of the Committee, to contribute on the full amount of his salary if he should so desire, provided notice in writing of such desire shall have been given by him to the Committee prior to the due date for payment of salary next after such employee shall have obtained leave or furlough. Contributions of members during leave.

Rule 12.—The Committee from time to time shall pay into the Imperial Bank of India or such other bank as the Committee may select, to the credit of an account to be opened in the names of the Trustees, all moneys received by them. All moneys to the credit of such account shall be dealt with in accordance with these rules and such account shall be operated on only by cheques bearing the signatures of the two Trustees in addition to the signature of the Secretary of the Association. Cheques to be signed by Trustees and Secretary.

Rule 13.—The moneys of the Fund not immediately required for the purposes of the Fund shall from time to time, but not later than 12 months after being credited to the Fund, be invested by the Trustees, in their own names, in any security in which trust property may be lawfully invested under the Indian Trusts' Act, 1882. The Trustees shall have power to vary or transpose such investments into or for others, as may at any time be deemed expedient ; or such money may be placed in deposit with any bank or banks as the Trustees may think expedient. Available funds to be invested.

Rule 14.—The Trustees shall from time to time, upon the written requisition of the Committee, pay to them such sum or sums as may be required for the purposes of these rules and shall if necessary raise the moneys required for the same by a sale of the securities held by the Trustees or of a sufficient part thereof or by a loan on the security of the same. Power to make sale of securities.

Rule 15.—A separate account shall be kept in Form B with respect to each member showing the amount of the subscriber's personal contributions, with interest thereon as it becomes due, and also his share of the contributions of the Association, lapses and forfeitures, with interest thereon. Separate account for each member in Form.

Rule 16.—The account of each member will be made up on the 31st December in each year, and interest at 5 per cent. per annum will be allowed on the amount standing to the credit of each member during such year, and the Association will contribute the difference, if any, between the amount of interest realised by the investment and 5 per cent. as aforesaid. Interest allowed.

Rule 17.—A statement of account of each member shall be made up in Form C to 31st December of each year, and each member shall be required to certify in writing upon such account that the amount therein shown as standing to his credit is correct. Annual statement to each member.

Rule 18.—No member shall be entitled to claim payment of any money out of the Fund except as is by these rules expressly provided.

Rule 19.—The full amount standing to a subscriber's credit, including his own and the Association's contributions, together with interest accrued, shall be payable— Total amount payable.

(1) on the death of the subscriber to his nominee or heir under Rule 27 ;

(2) to the subscriber on his retirement from the service of the Association, provided that he has—

(a) completed fifteen years' service ; or,

(b) established to the satisfaction of the Committee that his retirement is necessitated by incapacity for further service.

Committee's power to waive forfeitures.

Rule 20.—A subscriber who leaves the service of the Association without fulfilling the conditions of Rule 19 shall be entitled only to payment of his own accumulated subscriptions, together with the interest which has accrued thereon, provided that the Committee shall have absolute discretion to waive forfeiture of the subscriber's interest in the Association's contributions and the income derived therefrom if this concession is, in their opinion, justified.

Dismissal for grave misconduct.

Rule 21.—In the event of a subscriber being dismissed from the Association for grave misconduct or dishonesty, of which fact the decision of the Committee shall be final and binding upon the subscriber, the whole of his interest in the Fund may be forfeited for the benefit of the Fund.

Division of forfeitures.

Rule 22.—Except as provided in Rule 21, and subject to the provisions of Rule 20, any lapse or forfeiture which may accrue during the year shall be divided amongst the members in proportion to the amount of the subscriptions they have contributed during the year and such sums shall be placed to their credit and shall be paid to them if and when they shall respectively become entitled to their shares of the contributions of the Association.

Member's right to the amount of his own subscription.

Rule 23.—A subscriber's contributions to the Fund and the amount credited to his account as income earned thereon, shall be his property funded for his benefit and, save as provided by Rule 21, shall not be forfeitable in any circumstances except as may be provided by law.

Member's right to Association's contribution.

Rule 24.—A subscriber's interest in the contribution made by the Association to the Fund does not commence until he retires from the service of the Association, and qualifies for admission to the benefit of the Association's contribution under these rules.

Advances from the Fund.

Rule 25.—Advances from the amount standing to their credit on account of their own subscriptions may, at the discretion of the Committee, be granted to subscribers in deserving cases of sickness or other urgent cause, for themselves or for their families ; such advance to be subsequently repaid by instalments to be fixed by the Committee in each case with interest, at such rate and payable at such times and whether simple or compound, as the Committee may direct.

Closing of member's account.

Rule 26.—A subscriber's account shall be closed—

(1) when he dies, on the day after the date of his death ;

(2) when he quits the service of the Association, from the day on which he quits it.

When a subscriber's account is closed, such amount, if any, as may be decided by the Committee, shall be added in respect to the portion of the year since the 31st December preceding.

No further contribution and interest shall be credited in respect of any period subsequent to that date.

Procedure on withdrawal.

Rule 27.—(*i*) Each subscriber shall, on joining the Fund, furnish a declaration in the Form D annexed showing how he wishes the amount to his credit in the Fund to be disposed of on his death. Such declaration is revocable at any time during the subscriber's lifetime,

but a fresh declaration shall be operative only on being received by the Committee. On a subscriber's marriage or re-marriage any declaration previously made will forthwith become null and void. If the nominee is a minor, the subscriber must, at the time of nomination, also appoint a person of full age to whom the amount standing to the subscriber's credit is to be paid on behalf of the minor nominee in the event of the subscriber dying before the minor nominee attains his majority.

If a subscriber fails to make and maintain the required nomination, the amount which would have been credited to his account on account of the Association's contributions and income thereon shall lapse to the Fund, but the Committee, at their absolute discretion, may order such payment in this respect to the deceased's widow or family as they may deem fit.

On the death of a subscriber the full amount standing to his credit shall be paid within three months of the date of death without deduction, either to his nominee as provided or (if his nominee is a minor at the time such amount is payable) to the person for the time being appointed to receive such amount on behalf of the minor nominee irrespective of the period for which the subscriber has served. In the event of no valid nomination being in existence, the amount standing to the deceased subscriber's credit and shown in the Form prescribed in Rule 15 shall be paid to his legal heirs.

(*ii*) If the withdrawing subscriber be living he shall apply to the Committee for payment of the amount to his credit. The Committee shall thereupon decide the further amounts, if any, which are to be credited to the subscriber's account under these rules and shall cause payment to be made to the subscriber.

(*iii*) When payment of a subscriber's account to himself or to his nominee (or in cases where no valid nomination was in existence to his legal heirs) has been accepted, no further claim shall lie against the Fund nor shall the Committee's decision as to the amounts credited to the subscriber's account be questioned.

Expenses of the Fund.

Rule 28.—Any loss to the Fund from any cause whatever and all other costs, charges and expenses to which the Committee or the Association shall be put in connection with the Fund for any reason whatsoever shall be borne by and be a charge upon the Fund.

Annual making up of accounts.

Rule 29.—The accounts of the Fund shall be made up yearly on the 31st December.

Member not entitled to assign or transfer his interest in the Fund.

Rule 30.—A subscriber's interest in the Fund in respect either of principal or interest shall be strictly personal, and no member shall be entitled to transfer or assign, whether by way of security or otherwise howsoever, his interest or any part thereof in the Fund and no such transfer or assignment shall be valid, and the Trustees or Committee shall not recognise or be bound by notice to them or any of them of any such transfer or assignment, and all moneys standing in the books of the Fund to the credit of any member so transferring or assigning his interest as aforesaid shall forthwith be forfeited as from the date of such transfer or assignment to the use of the Fund and be dealt with accordingly ; and, further, if any prohibitory order or attachment or process of a Civil Court be served upon the Trustees or the Committee or any of them or any person on their behalf by which any moneys standing to the credit of any member in the books of the Fund shall be attached or be ordered to be paid into a Civil Court or be ordered to be withheld from such member, such moneys shall forthwith be forfeited to the use of the Fund and be dealt with accordingly : Provided that the Committee shall be at liberty in their uncontrolled discretion at any time thereafter to give such moneys or any part thereof for the benefit of such member or his wife, children or relations and the Trustees shall deal with such moneys accordingly on the written requisition of the Committee.

Procedure in case member's interest has been assigned.

Rule 31.—If any member shall transfer or assign his interest in the Fund as aforesaid, or if such interest shall be attached or otherwise dealt with or affected as indicated by Rule 30, the Association may forthwith cease all contributions to the Fund in respect of such member and all moneys standing to the credit of such member represented by or referable to contributions by the Association and the interest thereon shall forthwith be transferred

by the Trustees from the credit of such member to the credit of a suspense account, and if for a period of one year from the date of such transfer the Trustees shall not have received from the Committee written instructions to re-transfer the said moneys and interest, or so much thereof as shall not have formed the subject of any such instructions of the Committee as aforesaid, shall, upon the expiration of the said period of one year, be deemed to be moneys which have lapsed or become forfeited and shall be dealt with in accordance with Rule 22.

Indemnification of Trustees.

Rule 32.—The Association shall hold every Trustee indemnified against all proceedings, costs, and expenses occasioned by any claim in connection with the Fund not arising from his negligence or fraud.

Power to close Fund.

Rule 33.—The Committee shall have the power to close the Fund at any time if considered advisable or necessary, in which event the moneys in the Fund will be distributed among the members in accordance with their accounts.

Certificate as to amount of balance.

Rule 34.—In all cases wherein a certificate shall be required of the amount of the balance standing in the books of the Fund to the credit of a deceased member for the purpose of obtaining, free of stamp duty, a grant of probate or letters of administration or any other purpose, such certificate shall be in the Form E.

Power to make new rules.

Rule 35.—The Committee shall have the power, after one month's notice to members, to make any alterations, amendments or additions which they may consider necessary in or to these rules.

Date of enforcement of rules.

Rule 36.—These rules shall come into force on 1st May, 1924.

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND.

FORM A.

Form of Agreement prescribed in accordance with Rule 8.

I hereby declare that I have read the foregoing rules of the Bombay Millowners' Association Provident Fund and that I agree to be bound by them.

Dated *day of* 19 *at*

Name in full .....

Date of birth.....

Date of joining appointment .....

Nature of appointment .....

Salary per mensem.....Rupees.

Signature : ..... Address :—.....

Witness (name) : ..... { Address :—..... / Occupation :— .....

Witness (name) : ..... { Address :—..... / Occupation :— .....

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND.

FORM B.

Form of account prescribed by Rule 15.

Joined the service of the Association on _____

Joined the Provident Fund on _____

Name of Member :— _____

Name of Nominee :— _____

Date of Payment.	Amount of salary per mensem.	Membership subscription for the month of	Member's subscription.			Interest on member's subscription.			Association's contribution.			Interest on Association's contribution.			Amount of forfeitures credited to member.			Total amount at credit of member.			REMARKS.
Brought forward ..			Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND.

FORM C.

Statement showing the sums standing to the credit of Mr. ....., employed as ....., issued solely for his information.

FOLIO NUMBER OF ACCOUNT.....

PARTICULARS.	Rs.	a.	p.	Rs.	a.	p.
Member's subscription and interest standing to his credit on 31st December, 192 , as per last Memo.						
Member's subscription and interest credited during the year 192						
Association's contribution with forfeitures and interest standing to the credit of member on 31st December, 192 , as per last Memo.						
Association's contribution with forfeitures and interest less expenses credited during the year 192						
Total amount at credit on 31st December, 192 ..						

NOTE.—This Memo cannot be hypothecated nor used in any way as being a security to a third party.

The name of the nominee, as at present registered, is :—

.....

.....

BOMBAY, 31st *December*, 192 . *Secretary.*

Certified that the amount shown above as standing to my credit on 31st December, 192 , is correct.

Bombay, the.....day of.....192... *Signature.* .....

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND.

FORM D.

Form of Declaration prescribed in accordance with Rule 27.

No.....

Folio No..... ....

I, ..., employed as.....in the service of the Bombay Millowners' Association, hereby declare that in the event of my demise before retirement the sum of money standing to my credit in the Bombay Millowners' Association Provident Fund shall be distributed in the manner shown against their names in the tabular statement below.

The amount due to any nominee named hereunder, who is a minor, at the time of my death, should be paid to the person whose name appears in the corresponding line in column 5 :—

1	2	3	4	5
Name & address of nominee or nominees.	Relationship with the subscriber.	Whether a major or minor. If a minor, date of birth should be stated.	Amount or share of deposit.	Name and address of person to whom payment is to be made on behalf of any minor.

Here state whether married or unmarried :—

Witness .....

Witness .....

Signature.....

Dated.....*day of*.....19.....

N.B.—If a member wishes to revoke the above nominations he must endorse it to that effect and make a fresh nomination.

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND.

FORM E.

Certificate prescribed in accordance with Rule 35.

No.....

It is hereby certified that the balance standing in the books of the Provident Fund of the Bombay Millowners' Association to the credit of. .....

of.....numbered as above on the.....

day of.....was Rupees..... Dated this .....

day of.....19... Entered..... Examined.....

Trustees :—

RULES FOR THE ELECTION OF REPRESENTATIVES OF THE ASSOCIATION ON THE BOARD OF THE VICTORIA JUBILEE TECHNICAL INSTITUTE.

The Association is entitled to elect two members on the Board of the Victoria Jubilee Technical Institute so long as it continues to contribute not less than Rs. 2,000 per annum for the maintenance of the Institute.

1. Any member of the Association shall be eligible to act as Representative of the Association on the Board of the Victoria Jubilee Technical Institute.

2. The period of office of any elected Representative of the Association on the Board of the said Institute shall be one of three years. At the end of such period he shall retire but may be re-elected.

3. The appointment of the Association's Representatives shall be made at a general meeting of the Association and such Representatives shall *ex-officio* be members of the Committee of the Association.

4. In the event of the disqualification of any of the Association's Representatives under Section 9 or 10 of the Rules and Regulations of the said Institute, or in the event of the decease or resignation of such Representative, or in the event of his ceasing for any reason to be a member of the Association, the Committee shall appoint a successor, who shall hold office up to that date at which the Representative whom he succeeds would, under Rule 2, have retired.

5. In the event of the absence of any of the Association's Representatives from three or more consecutive meetings of the Board, or in the event of any of the Association's Representatives applying for leave of absence, the Committee may, if they think fit and with the consent of the Board of the said Institute, appoint a substitute who shall hold office until the Representative whom he replaces resumes attendance or up to that date at which the Representative whom he replaces would, under Rule 2, have retired.

RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE IMPROVEMENTS COMMITTEE CONSTITUTED UNDER THE PROVISIONS OF THE CITY OF BOMBAY IMPROVEMENT TRUST TRANSFER ACT, 1926.

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1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary ten clear days before the day fixed for the election.

2. The Secretary of the Association shall circulate the names of the applicants four clear days before the election.

3. The Committee shall appoint two days, which shall be duly advertised, upon which the balloting shall take place. The ballot-box shall be open from 10 A.M. till 6 P.M. on each day.

4. Votes may be given either in person or through any one duly authorised by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.

5. The Committee shall appoint two scrutineers, who, at 6 P.M. on the second day of the ballot, shall open the box and declare the result.

6. The candidate who has the largest number of votes shall be declared duly elected.

7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.

8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.

9. In the event of a casual vacancy the above course shall be followed in the appointment of a substitute.

10. In the event of the temporary absence of a Representative of the Association on the Improvments Committee, necessitating the appointment of a substitute under Section 13 (2), such appointment shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE BOARD OF TRUSTEES OF THE PORT OF BOMBAY.

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.

2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.

3. The Committee shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot-box shall be open from 10-30 A.M. till 5 P.M. on that day.

4. Votes may be given either in person or through any one duly authorised by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.

5. The Committee shall appoint two scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.

6. The candidate who has the largest number of votes shall be declared duly elected.

7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.

8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.

9. In the event of a casual vacancy the above course shall be followed in the appointment of a substitute.

10. In the event of the temporary absence of a Representative of the Association on the Board of Trustees, necessitating the appointment of a substitute, such appointment shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

PROCEDURE IN CONNECTION WITH THE ELECTION OF THE REPRESENTATIVES OF THE ASSOCIATION ON THE LEGISLATIVE ASSEMBLY AND THE BOMBAY LEGISLATIVE COUNCIL.

Explanatory Note.

Prior to November 1920, the date of the first elections to the new Councils constituted under the Reforms Scheme, the Association's Representative on the Bombay Legislative Council had been elected in accordance with the provisions of the Association's Rules for the election of such members. Under the rules framed under the Government of India Act, 1919, however, the Association becomes a Commerce and Industry Constituency and is entitled to elect one member to the Legislative Assembly and one member to the Bombay Legislative Council. Election to these bodies will henceforth be held in accordance with special Rules and Regulations drawn up by the Government of India and the Local Government in that respect. The Rules and Regulations in question have been published in the *Gazettes*, but the following summary of their provisions, so far as they relate to elections in this Constituency, has been prepared for the convenience of members.

Notes as to the procedure to be followed in connection with the election of Members of the Association for the Bombay Millowners' Association Constituency of the Indian Legislative Assembly and the Legislative Council of the Governor of Bombay.

N.B.—It must be distinctly understood that the following Notes are drawn up merely for the convenience of members and are in no way to be considered as over-riding the Rules and Regulations framed under Section 7 of the Government of India Act, 1919.

Rules. Part II and Part III.

1. Members only of the Bombay Millowners' Association as defined in Rule 4 of the Association's Rules and Regulations will be eligible to vote at elections for, and be eligible for nomination as candidates for election to the above Councils.

The term member includes any person entitled to exercise the rights and privileges of membership on behalf of any person, firm, company, or other corporation registered as such member, provided such person is not disqualified under the provisions of Part II of the Electoral Rules, and has been duly nominated, in accordance with Clause 3 of these Notes by the said member.

Regulations. Part I.

2. The Secretary for the time being of the Association will be the Returning Officer for the Constituency.

Regulations. Part II.

3. The Secretary will immediately before each election call upon each member to nominate a person, who is duly qualified under Rules 6, 7 or 8 of the Association's Rules and Regulations and who is not otherwise disqualified, for registration on an electoral roll and except as is hereinafter provided, only such person as is so nominated and registered will be eligible to vote on behalf of such member at the ensuing election, and be eligible for nomination as a candidate for election at the ensuing election.

Regulations. Part II, Clause 1 (3) and Clauses 4 & 5.

4. The Secretary will on or before a date to be fixed by the Local Government publish the Electoral Roll provided for in Clause 3 of these Notes at the Head-Quarters of the Association, and at the time of publishing the roll will in like manner publish a notice in the form prescribed in Schedule I attached to these Notes.

Regulations. Part II, Clause 6.

5. On receipt of the orders made by the Revising Authority in regard to any claims or objections that may be raised, the Secretary will make such cancellations in, and will prepare a list of such additions to, the Electoral Roll as may be required in accordance with such orders and will re-publish such amended Electoral Roll and list of additions at the Head-Quarters of the Association on or before a date to be fixed by the Local Government.

6. The Electoral Roll will come into force from the date of re-publication provided for in Clause 5. Rules. Part III, Clause 9 (4).

7. The Electoral Roll as amended and supplemented by the list of additions will be conclusive evidence for the purpose of determining whether any person is an elector in this Constituency. Regulations. Part II, Clause (7).

8. A fresh Electoral Roll will be prepared for each election in the prescribed manner. Regulations. Part VIII, Clause (*j*).

9. Any person whose name appears on the Electoral Roll of the Association may be nominated as a candidate for election in the manner hereinafter provided. Rules. Part IV, Clause 11.

10. Nominations will be by means of a nomination paper in Form I appended to the Electoral Regulations and which will be supplied by the Secretary to any member asking for the same. Regulations. Part III, Clause 1 (1).

11. Every nomination paper will be subscribed by two members as proposer and seconder and will be signed by the candidate as assenting to the nomination. Regulations. Part III, Clause 1 (2).

12. Where a member subscribes a larger number of nomination papers, those first received up to the number allowed will be deemed to be valid and the remainder invalid. Where in any such case the Secretary is not available to determine which nomination papers were received first, all such papers will be deemed to be invalid. Regulations. Part III, Clause 1 (3).

13. Each candidate will be nominated by a separate nomination paper. Regulations. Part III, Clause 1 (4).

14. Save as provided in Clause 15, every nomination paper will be presented to the Secretary at the Head-Quarters of the Association by the proposer or seconder on or before a date and at a time, if any, appointed by the Local Government in this behalf. Regulations. Part III, Clause 2 (1).

15. A candidate may be nominated by a nomination sent by post so as to reach the Secretary before the time appointed as aforesaid in Clause 14. The proposer and seconder will append to such nomination paper a certificate from a Gazetted Revenue or Judicial Officer that they have signed the paper in his presence and that they are members of the Association. Regulations. Part III. Clause 2 (2).

16. A candidate who has been duly nominated for election may withdraw his candidature by a written and signed communication delivered to the Secretary not less than fourteen clear days before the date fixed for the recording of votes ; or if the period between the dates fixed for the scrutiny of nomination papers and the recording of votes is less than fourteen clear days, not later than the date fixed for such scrutiny. The Secretary will forthwith publish any such withdrawal in such newspapers as he may select and, where the name of the candidate has been inserted in any voting paper, will cause the same to be cancelled. Regulations. Part III, Clause 3 (1) & (2).

17. A candidate who has withdrawn his candidature will not be allowed to cancel the withdrawal or to be re-nominated as a candidate for the same election. Rules. Part IV, Clause II (3).

18. In the event of the death of a candidate between the date fixed for the presentation of nomination papers and the date fixed for recording votes, all proceedings with reference to such election will be commenced afresh with the exception of proceedings in connection with the drawing up of the Electoral Roll as provided for in Clauses 3 to 6. Fresh dates for the stage of such election will be prescribed by the Local Government. Regulations. Part III, Clause 3 (3).

19. On the date and at the time appointed by the Local Government for the scrutiny of nomination papers, every candidate or his election agent, and his proposer and seconder may attend at the Head-Quarters of the Association and the Secretary will allow them to examine all nomination papers which have been received by him. Regulations. Part III, Clause 4 (1).

Regulations. Part III, Clause 4 (2).

20. The Secretary will examine the nomination papers and will decide all objections which may be made to any nomination paper on the ground that it does not comply with the provisions of Clauses 9, 10, 11, 12 and 13, and may reject, either of his own motion, or on such objection, any nomination paper on such ground or on the ground that it was not received at or before the time appointed for the nomination of candidates ; or that the candidate has not complied with the provisions of Clause 22 ; the decision of the Secretary, with the reasons therefor, will be endorsed by him on the nomination paper in respect of which such decision is given.

Regulations. Part III, Clause 5 (1).

21. The Secretary will forthwith publish in such newspapers as he may select the names of the candidates who have been validly nominated, and the order in which the names of the candidates will appear in the voting paper.

Rules. Part IV, Clauses 11 and 15.

22. On or before the date on which a candidate is nominated the candidate will make in writing and sign a declaration appointing either himself or some other person who is not disqualified under the Electoral Rules to be his election agent and no candidate will be deemed to be duly nominated unless such declaration has been made.

Rules. Part IV, Clause 16 (1).

23. The appointment of an election agent, whether the election agent appointed be the candidate himself or not, may only be revoked by a writing signed by the candidate and lodged with the Secretary and will operate from the date on which it is so lodged.

Rules. Part IV, Clause 16 (2).

24. In the event of such a revocation or of the death of any election agent, whether such event occurs before, during or after the election, then the candidate will appoint forthwith another election agent and declare his name in writing to the Secretary.

Rules. Part IV, Clause 17 (1).

25. Within one month or such longer period as the Governor may allow after the date of the declaration of the election, every candidate, either personally or through his election agent, will cause to be lodged with the Secretary a return of his election expenses containing the particulars specified in Schedule III appended to the Electoral Rules.

Rules. Part IV, Clause 17 (2).

26. Every such return will contain a statement of all payments made by the candidate or by his election agent or by any persons on behalf of the candidate or in his interests for expenses incurred on account of, or in respect of, the conduct and management of the election and further a statement of all unpaid claims in respect of such expenses of which he or his election agent is aware.

Rules. Part IV, Clause 17 (3).

27. The return will be accompanied by declarations by the candidate and his election agent which will be in the form contained in Schedule III appended to the Electoral Rules, and will be made on oath or affirmation before a Magistrate.

Rules. Part IV, Clause 17 (4).

28. The Local Government will cause to be prepared in such manner, and maintained for such time, as it may direct, a record showing the names of all candidates at every election under these rules and the date on which the return of election expenses of each candidate has been lodged with the Secretary.

Rules. Part IV, Clause 12 (1).

29. If the number of candidates who are duly nominated and who have not withdrawn their candidature before such time as the Local Government may fix in this behalf exceeds that of the vacancies, a poll will be taken.

Rules. Part IV, Clause 12 (2).

30. If the number of such candidates is equal to the number of vacancies, all such candidates will be declared to be duly elected.

Rules. Part IV, Clause 12 (3).

31. If the number of such candidates is less than the number of vacancies, all such candidates will be declared to be elected and the Governor will, by a notification in the *Bombay Government Gazette*, call for fresh nominations for the remaining vacancy or vacancies and if any such are received, will call upon the Association to elect a member or members, as the case may be.

Rules. Part IV, Clause 12 (4), and Regulations, Parts V & VI.

32. Votes will be given by ballot and no votes shall be received by proxy. The voting paper will be in Form II-A appended to the Electoral Regulations, and the procedure laid down in Parts V and VI of the Electoral Regulations for the recording of votes will be followed.

33. Each member shall be entitled to one vote only. Regulations. Part V, Clause 1 (*c*) and (*d*).

34. Votes will be counted by or under the supervision of the Secretary, and any candidate or candidates, or in the absence of a candidate, a representative duly authorised by him in writing will have the right to be present at the time of counting. Regulations. Part VI, Clause 1 (1).

35. When the counting has been completed, the Secretary will forthwith declare the candidate to whom the largest number of votes has been given, to be elected. Rules. Part IV, Clause 12 (7).

36. Where any equality of votes is found to exist between any candidates and the addition of one vote will entitle any of the candidates to be declared elected, the determination of the person to whom such one additional vote will be deemed to have been given will be made by lot to be drawn in the presence of the Secretary of the Association and in such manner as he may determine. Rules. Part IV, Clause 12 (8).

37. The Secretary will without delay report the result of the election to the Secretary to the Council, who will publish the name of the candidate elected in the *Bombay Government Gazette.* Rules. Part IV, Clause 12 (9).

SCHEDULE.

Regulations. Part II, Clauses 4 & 5.

Notice under Regulation 4, Part II of the Legislative Assembly Electoral Regulations and of the Bombay Legislative Council Electoral Regulations.

1. The Electoral Roll of the Bombay Millowners' Association Constituency is hereby published in accordance with Regulation 3, Part II.

2. Any person entered on the roll who objects to any entry in the roll or any person claiming to be entered in the roll should lodge his claim or objection in the following manner :—

(*a*) Such claim or objection shall be made in writing and shall specify the Constituency in question, the grounds on which the right of any person to be entered in the roll is asserted or denied, the evidence which the claimant or objector intends to lead, the address of the claimant or objector, his number, if any, in the Electoral Roll and the area in the roll for which he is entered and in the case of an objection, the number in the Electoral Roll of the person to whose entry objection is taken and the area in the roll for which he is entered.

(*b*) Four copies of the claim or objection shall be delivered or sent by post so as to reach the office of the Judge authorised to receive the claim or objection under the Regulations on or before the third day from the publication of the roll, excluding the day of such publication.

(*c*) A claim or objection which is not lodged in the manner herein prescribed or by a person not entitled to lodge the same, shall be rejected.

3. Claims and objections relating to this roll should be sent to the Chief Judge of the Court of Small Causes, Bombay.

RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE BOMBAY MUNICIPAL CORPORATION.

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.

2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.

3. The Committee, in consultation with the Municipal Commissioner, shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot box shall be open from 11 A.M. till 5 P.M. on that day.

4. Votes may be given either in person or through any one duly authorised by a member of the Association each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.

5. The Committee shall appoint two Scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.

6. The candidate who has the largest number of votes shall be declared duly elected.

7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.

8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.

9. In the event of a casual vacancy, an appointment to fill such vacancy shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

Sections of the City of Bombay Municipal Act, III of 1888, *as amended by Act VI of* 1922 *pertaining to the Election of Councillors by the Bombay Millowners' Association.*

Section 5. (1) The Corporation shall consist of one hundred and six Councillors, as follows, namely :—

Seventy-six Councillors elected at Ward elections ;
Sixteen Councillors appointed by Government ;
Four Councillors elected as follows :—

One by the Bombay Chamber of Commerce,
One by the Indian Merchants' Chamber and Bureau,
One by the Bombay Millowners' Association,
One by Fellows ;

and ten co-opted Councillors elected by transferable vote by the Councillors elected and appointed under the preceding clauses of this section.

Section 6. (1) The first members of the Corporation, constituted according to the provisions of section 5, shall come into office on the first day of April, 1889.

(2) Councillors selected or appointed to succeed retiring Councillors shall come into office on the day for the retirement of the Councillors whom they are to succeed.

Section 7. All members of the Corporation constituted as aforesaid shall retire from office at noon on the first day of April, three years after they take office, which day is in this Act referred to as the day for retirement.

Section 8. Any person who ceases to be a Councillor shall, unless disqualified, be re-eligible.

Section 15. A person shall not be qualified to be elected to be a Councillor at an election by a Chamber or Association mentioned in sub-section (1) of section 5 or at a Fellows' election, unless he is at the time of the election a member of that Chamber or Association or a person entitled to exercise the rights and privileges of membership on behalf and in the name of any firm, company or corporation registered as a member of such Chamber or Association or a Fellow, as the case may be, and unless, in the case of a Fellow, he resides in the city.

Section 22. (1) General Elections of Councillors shall be fixed by the Commissioner, subject to the provisions of Section 23, to take place triennially on such days in the months of January and February as he shall think fit.

(2) The first General Election shall be held in the year 1889.

(3) Elections to fill casual vacancies shall be fixed by the Commissioner to take place on such days as he shall think fit, as soon as conveniently may be after the occurrence of the vacancies.

Section 23. The dates for all General Elections shall be fixed in the following order, and with the following intervals, namely :—

Firstly.—The Ward elections shall be fixed to take place simultaneously for all the Wards.

Secondly.—The day for the election by the Chamber or Association mentioned in sub-section (1) of section 5 shall be fixed at an interval not exceeding twenty-one days after the day fixed for the Ward elections.

Thirdly.—The day for the Fellows' election shall be fixed at an interval not exceeding fourteen days after the day fixed for the elections by the Chamber and Association mentioned in sub-section (1) of section 5.

Fourthly.—The election of co-opted Councillors shall be held on a day fixed by the Commissioner subsequent to the abovementioned elections and the appointment of Councillors by Government but prior to the day for retirement.

Section 31. (1) Elections of Councillors by the Chamber and Association mentioned in sub-section (1) of section 5 shall be made by the members for the time being of the said Chamber or Association subject to the provisions of section 15, in such manner as shall from time to time be determined at a meeting of the said Chamber or Association convened in accordance with the rules at the time in force in this behalf.

(2) The Secretary to the said Chamber or Association shall make a return in duplicate to the Commissioner setting forth the name in full of every person so elected.

Section 32. (1) The result of every election shall be declared by fixing, as soon as may be after the election, in some conspicuous place in the Chief Municipal Office, a notice certifying the names of the persons, if any, elected, and in the case of a contested election the number of votes recorded for each candidate.

(2) The said notice shall be signed in the case of a Ward election, and in the case of an election by Councillors, by the Commissioner, and in the case of an election by a Chamber or Association mentioned in sub-section (1) of section 5, by the Secretary of such Chamber or Association, and in the case of a Fellows' election by the Registrar of the University of Bombay.

BOMBAY MILLOWNERS' ASSOCIATION.

LIST SHOWING THE VARIOUS STATISTICAL RETURNS PUBLISHED BY THE ASSOCIATION, THEIR RESPECTIVE SUBSCRIPTIONS, ETC.

	Members.		Non-Members.		Postage.	
	Yearly.	Charge per copy.	Yearly.	Charge per copy.	Yearly.	Per copy.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p
Yarn and Piece-goods Trade Statistics of Bombay	1 copy free, additional copies @ Rs. 2-8-0 each		24 0 0	2 8 0	Free	Free
Yarn and Piece-goods Trade Statistics of Br. India	do.		24 0 0	2 8 0	do.	do.
Statistical Abstract of Indian Cotton Industry	do.		....	2 8 0	do.	do.
Current Quotations of Local - made Piece-goods and Yarns—Issued fortnightly *..	....	....	6 0 0	0 6 0	0 12 0	0 0 6
Rules and Regulations of the Association ..	....	0 8 0	....	1 0 0	....	0-2-0 Inland. 0-4-0 Mail.
Annual Report of the Association	2 copies free and for additional copies each Rs. 8-8-0.		....	12 8 0	....	1-8-0 Inland. 3-0-0 Mail.
Mill Statement showing Cotton Spinning and Weaving Mills working and in course of erection in India on 31st August each year—Issued yearly.	2 paper and 1 cloth copies free and for additional copies each—					
	Paper ..	3 0 0	Paper ..	3 0 0	Paper ..	0 4 0
	Cloth ..	4 0 0	Cloth ..	4 0 0	Cloth ..	0 8 0

* Free to Members.

Progress of Cotton Mills in the Island of Bombay only, since 1865.

Years ending 30th June.	Number of Mills.	Number of Spindles.	Number of Looms.	Average No. of Hands employed daily.	Approximate quantity of Cotton consumed. Cwts.	Approximate quantity of Cotton consumed. Bales, 392 lbs.	Years ending 30th June.
1865 ..	10	2,49,984	3,378	6,557	Not recorded.		1865 ..
1866 ..	10	2,74,371	3,254	6,733	Do.		1866 ..
1867 ..	10	2,79,057	3,578	7,600	Do.		1867 ..
1868 ..	10	2,82,644	3,643	7,715	Do.		1868 ..
1869 ..	10	2,85,874	3,719	7,857	Do.		1869 ..
1870 ..	10	2,90,920	4,090	8,103	Do.		1870 ..
1871 ..	10	8,05,496	4,290	8,553	Do.		1871 ..
1872 ..	11	3,14,396	4,302	8,816	Do.		1872 ..
1873 ..	14	3,94,892	4,666	10,714	2,35,763	67,361	1873 ..
1874 ..	15	4,62,151	5,713	11,398	2,89,065	82,590	1874 ..
1875 ..	27	7,82,634	7,781	13,551	Not recorded.		1875 ..
1876 ..	29	8,16,830	8,041	....	Do.		1876 ..
1877 ..	31	8,95,294	8,433	20,347	5,64,270	1,61,220	1877 ..
1878 ..	32	9,55,344	10,266	28,942	7,15,078	2,04,308	1878 ..
1879 ..	32	9,81,090	10,856	28,899	6,32,436	1,80,696	1879 ..
1880 ..	32	9,87,676	10,856	29,417	7,71,239	2,20,354	1880 ..
1881 ..	32	9,91,522	10,932	31,351	9,54,772	2,72,792	1881 ..
1882 ..	36	10,56,004	11,274	34,801	9,71,061	2,77,446	1882 ..
1883 ..	38	11,26,698	11,667	34,736	10,94,016	3,12,576	1883 ..
1884 ..	43	12,51,726	11,985	36,071	12,18,490	3,48,140	1884 ..
1885 ..	49	13,47,390	12,011	41,545	13,73,743	3,92,498	1885 ..
1886 ..	50	13,88,773	12,068	44,111	13,69,039	3,91,154	1886 ..
1887 ..	55	14,46,044	12,163	43,270	15,87,649	4,53,614	1887 ..
1888 ..	61	14,57,015	12,752	47,789	17,50,014	5,00,004	1888 ..
1889 ..	69	15,91,325	13,756	52,490	19,73,055	5,63,730	1889 ..
1890 ..	70	18,95,660	13,785	59,139	22,26,819	6,36,234	1890 ..
1891 ..	67	19,09,123	14,347	61,981	26,98,967	7,62,562	1891 ..
1892 ..	68	19,34,716	14,900	65,057	25,50,958	7,28,588	1892 ..
1893 ..	69	20,41,208	16,064	67,870	25,34,910	7,24,260	1893 ..
1894 ..	69	20,27,374	18,265	70,553	*25,57,296	7,30,656	1894 ..
1895 ..	69	21,23,892	20,217	75,746	28,53,879	8,15,394	1895 ..
1896 ..	71	21,86,323	21,335	78,455	29,73,873	8,49,678	1896 ..
1897 ..	73	21,87,425	21,287	69,530	24,59,646	7,02,756	1897 ..
1898 ..	82	22,26,982	21,379	70,728	28,60,648	8,17,328	1898 ..
1899 ..	82	24,19,861	22,209	77,169	33,27,800	9,50,800	1899 ..
1900 ..	82	23,36,891	22,215	72,914	26,06,800	7,44,800	1900 ..
1901 ..	81	23,71,092	22,414	82,162	24,35,153	6,95,758	1901 ..
1902 ..	80	23,23,769	22,843	86,122	34,55,823	9,87,378	1902 ..
1903 ..	80	23,33,362	23,125	86,913	34,51,798	9,86,228	1903 ..
1904 ..	79	23,34,230	24,136	89,918	34,04,569	9,72,734	1904 ..
1905 ..	81	23,60,916	28,073	92,924	37,53,582	[illegible]	1905 ..
1906 ..	84	26,14,323	28,778	1,00,798	39,94,[illegible]	11,41,264	1906 ..
1907 ..	85	26,13,483	31,982	98,101	[illegible]	11,15,750	1907 ..
1908 ..	86	27,34,683	35,997	1,01,[illegible]	39,05,125	11,15,750	1907 ..
1909 ..	89	28,00,345	39,264	[illegible]	37,77,179	10,79,194	1908 ..
					38,45,464	10,98,704	1909 ..
1910 ..	89	28,24,946	41,931	1,04,550	34,44,203	9,84,058	1910 ..
1911 ..	87	28,90,390	[illegible]	1,04,506	33,37,075	9,53,450	1911 ..
1912 ..	86	28,85,487	[illegible]	1,09,691	37,71,658	10,77,616	1912 ..
1913 ..	90	[illegible]	43,388	1,10,033	37,52,738	10,72,210	1913 ..
1914* ..	95	[illegible]	45,250	1,10,033	37,73,133	10,78,038	1914* ..
1915* ..	86	29,94,367	51,846	1,11,924	35,91,175	10,26,050	1915* ..
1916* ..	86	29,84,575	53,205	1,18,303	38,36,009	10,96,174	1916* ..
1917* ..	87	29,93,715	57,921	1,25,713	39,71,849	11,34,814	1917* ..
1918* ..	87	28,82,648	59,162	1,24,199	37,39,722	10,68,492	1918* ..
1919* ..	85	29,34,176	60,778	1,26,368	34,99,146	9,99,756	1919* ..
1920* ..	83	29,64,526	60,634	1,46,208	33,50,025	9,57,150	1920* ..
1921* ..	83	30,28,488	62,763	1,47,740	37,12,093	10,60,598	1921* ..
1922* ..	82	31,17,284	65,321	1,49,224	37,89,693	10,74,198	1922* ..
1923* ..	81	33,49,082	68,946	1,48,771	37,08,795	10,30,830	1923* ..
1924* ..	82	34,27,621	71,133	1,48,414	28,78,131	8,21,466	1924* ..
1925* ..	82	34,56,233	72,266	1,53,009	34,81,502	9,94,732	1925* ..

* Year ending 31st August.

Progress of Cotton Mills in the Presidency of Bombay other than those in the Island of Bombay since 1865.

Number of Mills.	Number of Spindles.	Number of Looms.	Average No. of Hands employed daily.	Approximate quantity of Cotton consumed. Cwts.	Approximate quantity of Cotton consumed. Bales of 392 lbs.
3	35,540	201	800	Not recorded.	
3	35,540	201	1,000	Do.	
3	35,540	201	1,000	Do.	
3	35,540	201	1,000	Do.	
3	35,540	201	1,000	Do.	
4	52,540	351	1,400	Do.	
4	52,540	351	1,400	Do.	
4	52,640	351	1,400	Do.	
4	55,564	386	1,503	28,471	7,263
4	62,379	390	1,925	30,386	8,739
9	1,33,464	558	2,145	Not recorded.	
9	1,47,183	640	2,986	Do.	
9	1,48,749	850	3,827	65,030	18,589
9	1,49,502	1,278	4,728	97,099	27,749
9	1,66,316	1,455	5,622	1,12,168	32,048
10	1,66,808	1,540	5,643	1,30,729	37,354
11	1,66,988	1,578	5,977	1,36,990	39,140
11	1,81,532	1,772	5,766	1,31,187	37,482
11	2,18,344	1,949	6,241	1,43,796	41,088
17	2,72,773	2,314	8,829	2,27,108	64,888
10	3,02,646	2,572	9,881	2,57,187	73,482
10	3,10,624	2,567	10,088	3,12,165	89,190
10	3,32,576	2,763	11,445	3,10,947	88,842
11	3,63,354	2,812	11,416	3,38,717	97,662
12	4,11,606	3,297	13,090	3,63,888	1,03,968
14	4,55,068	3,950	14,070	4,03,132	1,15,752
14	4,81,947	4,140	14,140	4,56,813	1,30,518
14	4,45,462	4,217	14,864	4,23,187	1,20,902
14	4,58,063	4,761	16,095	3,95,528	1,13,008
15	5,36,354	6,019	18,70[illegible]	4,97,364	1,42,104
16	5,82,818	7,189	22,007	5,55,443	1,58,698
16	5,87,868	7,538	23,738	6,28,845	1,79,670
16	6,91,970	7,706	27,285	7,00,938	2,00,268
17	7,36,962	8,067	28,546	7,52,717	2,15,062
18	9,04,048	8,438	33,467	8,84,345	2,52,670
18	9,10,480	8,688	33,487	7,88,915	2,25,690
18	9,35,228	9,223	34,354	7,50,029	2,14,294
18	9,53,912	9,545	36,646	9,55,013	2,72,860
18	9,71,120	9,823	37,113	9,50,278	2,71,508
18	10,31,425	10,149	38,417	9,82,674	2,80,764
18	10,75,413	11,016	40,735	10,36,224	2,96,064
20	11,15,053	12,534	43,312	11,51,479	3,28,994
21	11,89,230	14,918	44,753	11,28,062	3,21,732
23	13,85,145	19,134	52,679	12,41,891	3,54,826
26	15,04,230	22,230	56,408	13,47,766	3,85,076
28	15,45,178	23,540	55,251	12,65,572	3,61,592
28	16,36,382	25,025	55,373	13,19,031	3,76,866
30	16,83,258	25,733	56,903	14,10,493	4,02,998
28	16,84,481	28,223	63,378	14,42,070	4,12,020
26	17,45,522	33,591	68,295	15,17,291	4,33,486
28	18,09,585	33,542	71,777	15,26,630	4,36,180
28	17,95,821	33,845	72,083	15,68,427	4,48,122
30	17,80,979	33,597	67,373	14,31,738	4,09,068
31	17,94,190	34,198	71,727	13,91,460	3,97,560
30	18,00,581	34,310	76,999	14,46,564	4,13,304
28	18,09,713	34,982	78,643	14,04,900	4,01,400
28	18,44,756	35,892	88,807	16,14,711	4,61,346
29	20,11,692	40,532	94,786	16,99,880	4,85,680
123	21,91,480	44,519	91,959	16,24,038	4,64,868
124	22,86,040	45,862	93,175	17,11,563	4,89,018
124	23,68,728	46,512	95,565	18,02,213	5,14,918

Bomba

Millowners' A

COTTON SPINNING AND WEAVING

AND

IN COURSE OF ERECTI

ON

31st AUGUST

CAPITAL. | NUMBER OF SPINDLES. | Average | Approximate number | Average

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ssociation.

MILLS WORKING

ION IN INDIA

T 1925.

Progress of Bombay Mills (in the Island and the Presidency) during the past 61 years.

Years ending 30th June.	Number of Mills.	Number of Spindles.	Number of Looms.	Average No. of Hands employed daily.	Approximate quantity of Cotton consumed. Cwts.	Bales of 392 lbs.
1865 ..	13	2,85,524	3,579	7,357	Not recorded.	
1866 ..	13	3,09,911	3,455	7,733	Do.	
1867 ..	13	3,13,597	3,779	8,630	Do.	
1868 ..	13	3,18,184	3,844	8,715	Do.	
1869 ..	13	3,21,414	3,920	8,857	Do.	
1870 ..	14	3,43,460	4,441	9,503	Do.	
1871 ..	14	3,58,436	4,641	9,953	Do.	
1872 ..	15	3,67,036	4,653	10,216	Do.	
1873 ..	18	4,50,156	4,972	12,217	2,62,234	74,924
1874 ..	19	5,24,530	6,103	13,323	3,19,651	91,329
1875 ..	36	8,86,098	8,339	15,696	Not recorded.	
1876 ..	39	9,63,983	8,681	..	Do.	
1877 ..	41	10,43,944	9,291	24,174	6,29,300	1,79,800
1878 ..	42	11,04,846	11,544	31,670	8,12,168	2,32,048
1879 ..	42	11,47,310	12,311	34,482	7,44,604	2,12,744
1880 ..	42	11,54,184	12,396	35,080	9,01,978	2,57,708
1881 ..	42	11,58,510	12,510	37,028	11,91,762	3,11,932
1882 ..	49	12,37,536	13,046	37,587	11,02,248	3,14,928
1883 ..	51	13,45,042	13,616	40,977	12,39,812	3,54,232
1884 ..	60	15,24,499	14,299	44,960	14,45,598	4,13,028
1885 ..	68	16,50,036	14,588	51,426	16,30,930	4,65,980
1886 ..	70	16,98,797	14,635	54,179	16,81,204	4,80,344
1887 ..	75	17,79,220	14,924	54,715	18,98,536	5,42,456
1888 ..	82	18,20,369	15,564	59,199	20,89,731	5,97,068
1889 ..	91	20,02,994	16,677	65,580	23,38,943	6,67,698
1890 ..	94	23,50,728	17,735	73,209	26,31,951	7,51,986
1891 ..	91	23,60,170	18,487	78,121	31,25,780	8,93,080
1892 ..	96	23,80,178	19,117	79,951	29,73,215	8,49,490
1893 ..	98	24,99,211	21,425	83,965	29,30,438	8,37,268
1894 ..	99	25,83,728	24,284	89,315	30,54,660	8,72,760
1895 ..	102	27,06,710	27,406	97,747	34,09,322	9,74,092
1896 ..	109	27,74,129	28,873	1,02,193	36,02,718	10,29,349
1897 ..	122	28,49,395	28,993	96,815	31,60,584	9,03,024
1898 ..	133	29,63,944	29,446	99,274	36,13,365	10,32,390
1899 ..	134	33,14,909	30,647	1,10,636	42,12,145	12,03,470
1900 ..	136	34,47,371	30,913	1,06,401	33,96,715	9,70,490
1901 ..	135	35,06,320	31,636	1,16,516	31,85,182	9,10,052
1902 ..	134	34,77,681	32,390	1,22,768	44,10,833	12,60,238
1903 ..	134	35,04,502	32,950	1,24,026	44,02,076	12,57,736
1904 ..	133	35,65,655	34,285	1,28,332	43,87,243	12,53,498
1905 ..	140	36,36,329	39,089	1,33,679	47,89,806	13,68,516
1906 ..	154	37,29,376	41,312	1,44,110	51,45,903	14,70,258
1907 ..	158	38,02,713	46,900	1,42,854	50,31,187	14,37,482
1908 ..	171	41,19,828	55,101	1,54,215	50,19,070	14,34,020
1909 ..	185	43,04,575	61,494	1,62,159	51,93,230	14,83,780
1910 ..	187	43,69,224	65,471	1,59,801	47,09,775	13,45,650
1911 ..	182	45,20,972	67,492	1,59,873	46,56,106	13,30,318
1912 ..	182	45,38,710	69,121	1,68,494	51,82,149	14,80,614
1913 ..	186	46,10,317	73,473	1,73,411	51,94,805	14,84,230
1914* ..	183	47,54,694	82,436	1,78,155	52,90,334	15,11,524
1915* ..	184	48,03,932	85,388	1,83,701	51,17,805	14,62,230
1916* ..	181	47,80,096	68,750	1,90,386	54,05,036	15,44,296
1917* ..	177	47,14,754	91,518	1,93,086	54,03,587	15,43,882
1918* ..	178	46,76,838	93,360	1,95,749	50,96,728	14,56,208
1919* ..	176	47,35,057	95,088	2,03,367	49,45,710	14,13,060
1920* ..	174	47,74,239	95,616	2,18,251	47,54,925	13,58,550
1921* ..	176	48,70,244	98,655	2,36,547	53,26,804	15,21,944
1922* ..	201	51,28,886	1,06,053	2,44,010	54,59,573	15,59,878
1923* ..	206	55,40,562	1,13,465	2,40,677	53,34,763	15,24,218
1924* ..	206	57,13,061	1,16,995	2,41,589	45,86,694	13,10,484
1925* ..	206	58,24,951	1,18,718	2,48,574	52,83,775	15,09,650

*Year ending 31st August.

Cotton Spinning and Weaving Mills Working and in course of Erection in India on the 31st August, 1925.

Where situated.	Number of Mills.	Number of Spindles.	Number of Looms.	Average No. of Hands employed daily.	Approximate quantity of Cotton consumed. Cwts.	Bales of 3½ cwts.
Bombay Island (working)..	82	34,56,233	72,266	1,53,009	34,81,562	9,94,732
Bombay Island (erecting)..	..	..	..	..	..	..
Bombay Pres. (working)..	109	23,36,958	46,227	95,315	18,02,213	5,14,918
Bombay Pres. (erecting) (a)	15	31,760	285	50	..	..
Total ..	206	58,24,951	1,18,718	2,48,574	52,83,775	15,09,650
Rajputana	4	59,048	916	2,397	52,388	14,968
Berar (b)	4	53,284	1,027	2,792	49,077	14,022
Central Provinces.. ..	8	2,89,032	5,646	18,426	3,57,028	1,02,008
Hyderabad (Nizam's Terr.) (c)	5	95,368	1,556	2,373	38,752	11,072
Central India	10	2,40,371	6,581	12,894	2,84,200	81,200
Bengal Presidency (d) ..	25	3,65,004	2,835	12,469	3,11,584	89,024
Punjab (e)	9	1,19,106	2,410	5,099	95,865	27,390
United Prv. of Agra Oudh (f)	26	6,32,697	7,538	21,373	6,29,573	1,79,878
Madras Presidency (g) ..	29	6,58,264	4,788	28,431	5,22,116	1,49,176
Travancore..	2	25,560	15	672	28,966	8,276
Mysore	6	78,882	512	6,971	62,286	17,796
Pondicherry	3	69,066	1,662	5,387	76,475	21,850
Total ..	*337	85,10,633	1,54,202	3,67,877	77,92,085	22,26,310

* Of these 294 are working and 43 in course of erection.
In course of erection: (a) 15, (b) 1, (c) 1, (d) 10, (e) 1, (f) 4, (g) 11.

Progress of Indian Mills during the past 50 years.

Years ending 30th June.	Number of Mills.	Number of Spindles.	Number of Looms.	Average No. of Hands employed daily.	Approximate quantity of Cotton consumed. Cwts.	Bales of 392 lbs.
1876..	47	11,00,112	9,139	Not stated	not stated	
1877..	51	12,44,206	10,385	Do.	Do.	
1878..	53	12,89,706	10,533	Do.	Do.	
1879..	54	14,52,794	13,018	42,914	9,36,547	2,67,585
1880..	56	14,61,590	13,502	44,410	10,76,708	3,07,631
1881..	57	15,13,096	13,707	46,430	13,26,461	3,78,989
1882..	65	16,20,814	14,172	48,467	13,91,467	3,97,562
1883..	67	17,90,388	15,373	53,476	15,97,946	4,56,565
1884..	79	20,01,667	16,262	60,287	18,59,777	5,31,365
1885..	87	21,45,646	16,537	67,186	20,88,621	5,96,749
1886..	95	22,61,561	17,455	74,383	22,51,214	6,43,204
1887..	103	24,21,290	18,536	76,942	25,41,966	7,26,276
1888..	114	24,88,851	19,496	82,379	27,54,437	7,86,982
1889..	124	27,62,518	21,561	91,598	31,10,289	8,88,654
1890..	137	32,74,196	23,412	1,02,721	35,29,617	10,08,462
1891..	134	33,51,694	24,531	1,11,018	41,26,171	11,78,906
1892..	139	34,02,232	25,444	1,16,161	40,80,783	11,65,938
1893..	141	35,75,917	28,164	1,21,500	40,98,528	11,71,008
1894..	142	36,49,736	31,154	1,30,461	42,78,778	12,22,508
1895..	148	38,09,929	35,338	1,38,669	46,95,999	13,41,714
1896..	155	39,32,946	37,270	1,45,432	49,32,613	14,09,318
1897..	173	40,65,618	37,584	1,44,335	45,53,276	13,00,936
1898..	185	42,59,720	38,013	1,48,964	51,84,648	14,81,328
1899..	188	47,28,333	39,069	1,62,108	58,63,165	16,75,190
1900..	193	49,45,783	40,124	1,61,189	50,86,732	14,53,352
1901..	193	50,06,936	41,180	1,72,883	47,31,090	13,51,740
1902..	192	50,06,965	42,584	1,81,031	61,77,633	17,65,038
1903..	192	50,43,297	44,092	1,81,399	60,87,690	17,39,340
1904..	191	51,18,121	45,337	1,84,779	61,06,681	17,44,766
1905..	197	51,63,486	50,139	1,95,277	65,77,354	18,79,244
1906..	217	52,79,595	52,668	2,08,616	70,82,306	20,23,516
1907..	224	53,33,275	58,436	2,05,696	69,30,595	19,80,170
1908..	241	57,56,020	67,920	2,21,195	69,70,250	19,91,500
1909..	259	60,53,231	76,898	2,36,924	73,81,500	21,09,000
1910..	263	61,95,671	82,725	2,33,624	67,72,535	19,35,010
1911..	263	63,57,460	85,352	2,30,649	66,70,531	19,05,866
1912..	268	64,63,929	88,951	2,43,637	71,75,357	20,50,102
1913..	272	65,96,862	94,136	2,53,786	73,36,056	20,96,016
1914*	271	67,78,895	1,04,179	2,60,276	75,00,941	21,43,128
1915*	272	68,48,744	1,08,009	2,65,346	73,59,212	21,02,632
1916*	266	68,39,877	1,10,268	2,74,361	76,92,013	21,97,718
1917*	263	67,38,697	1,14,621	2,76,771	76,93,574	21,98,164
1918*	262	66,53,871	1,16,484	2,82,227	72,99,873	20,85,678
1919*	258	66,89,680	1,18,221	2,93,277	71,54,805	20,44,230
1920*	253	67,63,076	1,19,012	3,11,078	68,33,113	19,52,318
1921*	257	68,70,804	1,23,783	3,32,179	74,20,805	21,20,230
1922*	298	73,31,219	1,34,620	3,43,723	77,12,390	22,03,540
1923*	333	79,27,938	1,44,794	3,47,380	75,30,943	21,51,698
1924*	336	83,13,273	1,51,485	3,56,887	67,12,118	19,17,748
1925*	337	85,10,633	1,54,202	3,67,877	76,92,085	22,26,310

*Year ending 31st August.

	CAPITAL.	NUMBER OF SPINDLES.	Average		Average	Approximate quantity	Average

Names of Mills.	Names of Agents or Owners and Office Address.	Situation of Mills.	Number of Shares.	Nominal value of each Share.	Amount paid on each Share.	Total amount of Capital paid up.	Mule.	Ring.	Total.	Spindles at work daily.	Looms.	Looms at work daily.	Cotton consumed (average per month)	Number of Hands employed daily.	Remarks.
				Rs.	Rs.	Rs.									
BOMBAY ISLAND.															
1. [illegible] Cotton Manufacturing Company, Limited	Messrs. [illegible] Vithaldas & Co., Secretaries, Treasurers & Agts., [illegible] 77, Apollo St., Fort, Bombay.	Tardeo	7,000	100	100	7,00,000	1,500	25,610	27,110	27,110	302	302	3,236	1,320	
2. Apollo Mills, Ltd.	Messrs. E. D. Sassoon & Co., Ltd., Agents, 15, Dougall Road, Ballard Estate, Fort, Bombay.	DeLisle Road	80,000	50	50	25,00,000	1,800	37,608	39,658	39,442	600	600	8,412	2,060	
3. Bomanji Petit Mills, Limited	Messrs. H. F. Commissariat & Co., Agents, Motilal Mansion, 14, Hummum Street, Fort, Bombay.	Sun Mill Road, Lower Parel	Ord. 20,000; 1st Pref. 40,000; 2nd Pref. 1,10,000	100; 10; 10	100; 10; 10	32,27,000	22,232	78,970	[illegible]	37,611	600	600	9,860	1,072	
4. Tata Mills, Ltd., No. 1 (formerly Ranchhod Mill)	Messrs. Allbless, Rahimtoola & Co., Secretaries, Treasurers and Agents, Mangaldas Building, Church Gate Street, Fort, Bombay.	Elphinstone Road, Parel	61,236	100	100	60,86,800	19,000	..	19,000	18,077	..	..	2,400	880	Mill No. 1 [illegible] from 1st [illegible] 1923.
5. Tata Mills, Ltd., No. 2 (formerly Indo-China Mill)	Do. do. do.	Sewri Road, Parel					1,040	24,392	25,432	14,634	400	400	3,722	900	
6. Bombay Cotton Manufacturing Company, Limited	Messrs. Hormusji Nusserwanji & Co., Agents, Motilal Mansion, Hummum Street, Fort, Bombay.	Kala Chowkie Road, Chinchpoogly	Ord. 2,373; Pref. 1,63,227	100; 10	100; 10	22,60,770	1,132	32,106	33,648	33,000	700	700	4,452	1,763	
7. Bombay Dyeing and Mfg. Co., Ltd. (Spring Mills)	Messrs. Nowrosji Wadia & Sons, Agents, Forbes Building, Home Street, Fort, Bombay.	Naigaum Road, Dadar	25,000	250	250	62,74,800	..	1,09,844	1,09,844	1,09,847	3,110	3,079	18,572	8,110	
8. Do. do. (Textile Mills)		Elphinstone Road, Parel					860	60,300	16,340	60,680	1,006	1,061	11,290	4,660	
9. Bombay Industrial Mills Co., Ltd. (formerly Lord Reay Mills)	Messrs. W. H. Brady & Co., Ltd., Secretaries, Treasurers & Agents, Royal Insurance Bldg., Churchgate St., Fort, Bombay.	Ferguson Road, Lower Parel	25,000	50	50	8,98,750	4,448	19,348	23,796	22,156	360	430	3,362	1,613	
10. Bradbury Mills, Ltd.	Messrs. Currimbhoy Ebrahim & Sons, Ltd., Agents, 12/14, Outram Road, Fort, Bombay.	Ripon Road, Jacob Circle	Ord. 4,000; Pref. 6,000	250; 250	250; 250	24,85,000	11,342	24,372	35,804	32,733	662	662	6,964	1,778	
11. Century Spinning and Manufacturing Co., Ltd. (Century Mill)	Messrs. C. N. Wadia & Co., Agents, Office, Gresham Buildings, Esplanade Road, Fort, Bombay.	Elphinstone Road, Parel	20,000	100	100	18,50,000	..	31,900	31,900	30,830	2,560	2,308	7,902	3,520	
12. Century Spinning & Manufacturing Co., Ltd. (Jacob Mill)							14,700	41,808	56,508	175,44	420	396	7,432	1,801	
13. Colaba Land and Mill Company, Limited	Messrs. W. H. Brady & Co., Ltd., Managing Agents and Managers, Royal Insurance Building, 12/14, Church Gate Street, Fort, Bombay.	Victoria Bunder, Colaba	30,000	100	100	29,00,000	..	33,416	33,416	32,477	667	654	4,790	1,630	
14. Jehangir Wadia Mill							..	11,376	11,376	10,673	..	..	2,728	865	
15. Coorla Spinning and Weaving Company, Limited	Messrs. Cowasjee Jehangir & Co., Ltd., Secretaries, Treasurers and Agents, 23, Readymoney Mansion, Churchgate Street, Fort, Bombay.	Coorla (Thana District)	13,000	100	100	13,00,000	2,692	24,848	27,540	22,463	719	717	4,567	1,460	
16. Crescent Mills Co., Ltd.	Messrs. Currimbhoy Ebrahim & Sons, Ltd., Agents, Currimbhoy House, Outram Road, Fort, Bombay.	Ferguson Road, Parel	15,000	100	100	15,00,000	9,000	35,030	44,030	44,071	1,054	1,054	7,082	2,130	
17. Crown Spinning & Manufacturing Co., Ltd.	Messrs. Purshotam Vithaldas & Co., Secretaries, Treasurers and Agents, 10, Apollo Street, Fort, Bombay.	New Parkhadevi Road, Parel	400	500	500	2,00,000	6,480	35,280	41,760	40,282	960	960	8,000	1,577	
18. Currimbhoy Mills Co., Ltd., (including Mahomedbhoy Mills)	Messrs. Currimbhoy Ebrahim & Sons, Ltd., Agents, 12/14, Outram Road, Fort, Bombay.	DeLisle Road, Lower Parel	8,800	250	250	22,00,000	17,344	69,480	86,904	84,343	1,959	1,942	12,965	2,967	
19. David Mills Company, Limited, No. 1	Messrs. E. D. Sassoon & Co., Ltd., Agents, 15, Dougall Road, Ballard Estate, Fort, Bombay.	Carroll Road, Parel	Old 1,800	500	500	9,00,000	..	27,290	27,290	26,718	1,130	958	11,920	530	
20. David Mills Company, Limited, No. 2		Do. do.	New 9,000	250	250	15,00,000	17,166	24,244	41,910	..	..	..	..	1,142	
21. Dawn Mills Company, Limited	Messrs. Sassoon J. David & Co., Ltd., Agents, 143, Esplanade Road, Fort, Bombay.	Ferguson Road, Parel	3,200	250	250	8,00,000	10,848	29,968	39,816	35,162	..	..	11,924	1,477	
22. Diamond Spg. and Wvg. Co., Ltd. (formerly Premier Mills, Ltd.)	Messrs. Goculdas Dwarkadas & Co., 16, Apollo Street, Fort, Bombay.	DeLisle Road, Parel	Ord. 34,000; Pref. 12,000	100	100	34,99,430	..	34,332	34,332	29,467	794	692	4,142	1,443	
23. Ebrahimbhoy Pabaney Mills Company, Limited	Messrs. Currimbhoy Ebrahim & Sons, Ltd., Agents, 12/14, Outram Road, Fort, Bombay.	Do. do.	8,000	250	250	20,00,000	18,176	39,764	57,990	65,722	1,034	1,030	8,437	2,887	
24. E. D. Sassoon United Mills, Ltd. (Alexandra Mill)	Messrs. E. D. Sassoon & Co., Ltd., Agents, 15, Dougall Rd., Ballard Estate, Fort, Bombay.	Ghorupdeo Road, Chinchpoogly	Authorised 1,00,00,000				..	37,120	37,120	34,200	800	750	10,310	1,900	
25. E. D. Sassoon United Mills, Limited (E. D. Sassoon Mill)		Do.					10,736	79,296	90,032	80,343	841	816	..	..	
26. E. D. Sassoon United Mills, Limited (Jacob Sassoon Mill)		Bapu Gang Road, Parel	Issued and Subscribed 80,00,000	10	10	8,00,00,000	19,512	80,320	1,00,832	90,285	2,221	2,003	13,926	4,496	
27. E. D. Sassoon United Mills, Limited (Rachel Sassoon Mill)		Chinchpoogly Road					..	..	..	..	2,020	1,987	..	1,730	
28. E. D. Sassoon United Mills, Limited Manchester Mills (formerly Hongkong Mills)		Chinchpoogly Cross Lane, Parel					4,384	21,060	25,444	..	630	..	(*)	..	*Still not working.
29. E. D. Sassoon United Mills, Ltd. (E. D. Sassoon Turkey Red Dyeworks)		Cadell Road, Dadar					..	*1,300	1,300	..	..	..	..	430	*Not spinning.
30. Edward Sassoon Mills, Ltd.	Messrs. E. D. Sassoon & Co., Ltd., Agents, 15, Dougall Road, Ballard Estate, Fort, Bombay.	Ferguson Road, Parel	6,900	200	200	13,80,000	28,250	18,152	45,400	44,700	600	614	7,240	1,999	
31. Elphinstone Spinning and Weaving Mills Co., Ltd.	Messrs. E. D. Sassoon & Co., Ltd., Agents, Dougall Road, Ballard Estate, Fort, Bombay.	Elphinstone Road, Parel	80,000	100	100	80,00,000	14,068	33,836	48,004	47,222	704	750	7,307	2,220	
32. Emperor Edward Spinning and Manufacturing Co., Limited	Messrs. R. D. Petit Sons & Co., Agents, 7/11, Elphinstone Circle, Fort, Bombay.	Bory Road, Mazagon	3,000	500	500	15,00,000	..	40,452	40,452	45,248	1,260	1,333	6,800	2,867	
33. Fazulbhoy Mills, Ltd.	Messrs. Currimbhoy Ebrahim & Sons, Ltd., Agents, 12/14, Outram Road, Fort, Bombay.	DeLisle Road, Parel	7,200	250	250	18,00,000	..	82,256	82,256	81,342	*1,340	1,372	8,882	2,499	*11 additional looms in course of erection.
34. Finlay Mills, Ltd.	Messrs. James Finlay & Co., Ltd., Agents, Chartered Bank Buildings, Fort, Bombay.	Government Gate Road, Parel	40,000	100	100	40,00,000	..	40,072	40,072	40,000	812	700	7,807	2,000	
35. Framjee Petit Spinning and Manufacturing Co., Ltd.	Messrs. Dinshaw Maneckjee Petit, Sons & Co., Agents, 359, Hornby Road, Fort, Bombay.	Bory Road, Mazagon	1,400; Allotted 1,250	1,000	1,000	12,50,000	..	32,300	32,204	28,682	920	843	3,101	2,031	
36. Globe Manufacturing Co., Ltd.	Messrs. Turner, Morrison & Co., Ltd., Managing Agents, 19, Bank Street, Fort, Bombay.	DeLisle Road, Parel	10,000	100	100	10,00,000	1,008	28,096	29,104	27,900	744	715	5,160	1,836	
37. Gold Mohur Mills, Ltd.	Messrs. James Finlay & Co., Ltd., Agents, Chartered Bank Buildings, Bombay.	Old Dadar Road, Dadar	Pref. 1,200; Ord. 27,604; Whole 1,184	250; 100; 1,000	250; 100; 1,000	30,42,450	..	42,472	42,472	30,116	1,020	962	7,472	2,109	
38. Hindoostan Spinning and Weaving Mills Co., Ltd.	Messrs. Thackersey, Mooljee & Co., Secretaries and Treasurers, 16, Apollo Street, Fort, Bombay.	Ripon Road, Byculla, Jacob's Circle	Quarter 64	250	250	12,50,000	2,794	39,272	41,800	38,300	*1,502	1,033	4,833	1,132	*60 additional looms in course of erection.
39. Indian Manufacturing Co., Ltd.	Messrs. Damodar Thackersey Mooljee & Co., Agents, 16, Apollo Street, Fort, Bombay.	Ripon Road, Jacob Circle	1,200	1,000	1,000	9,00,000	..	41,328	41,328	35,619	900	810	4,122	1,330	
40. Jam Manufacturing Co., Ltd.	Messrs. Walpoo [illegible] & Co., Secretaries, Treasurers and Agents, 4, Dalal Street, Fort, Bombay.	Lalbag, Parel	2,400	500	500	12,00,000	..	30,520	30,520	29,002	816	800	3,917	1,602	
41. Jamshed Manufacturing Co., Ltd.	Messrs. Hormusji Ardeshir & Son, Agents, Motilal Mansion, Hummum Street, Fort, Bombay.	Ferguson Road, Lower Parel	Ord. 4,000; " Ist 3,604; Pref. 10,000; " Ist 4,082	250; 100	250; 100	13,32,100	1,308	29,932	31,300	30,063	499	499	5,842	1,314	
42. Jivraj Baloo Spinning and Weaving Co., Ltd.	Messrs. Abdoolabhoy Joomabhoy Lalljee & Co., Agents, Sleater Road, Grant Road, Bombay.	Tardeo	Whole 900; Quarter 800	1,000; 250	1,000; 250	11,00,000	13,200	20,310	33,510	27,832	661	499	2,032	1,377	Mill closed.
43. Jubilee Mills, Ltd.	Messrs. Mangaldas Mehta & Co., Secretaries, Treasurers and Agents, 123, Esplanade Road, Fort, Bombay.	Sewree Road	Ord. 10,000; Pref. 3,000	100; 100	100; 100	13,00,000	3,120	30,132	39,262	30,072	432	410	2,967	1,998	
44. Kastoorchand Mills Co., Ltd. (Kastoorchand Mill; Imperial Mill)	Messrs. Currimbhoy Ebrahim and Sons, Ltd., Agents, 12/14, Outram Road, Fort, Bombay.	Dadar; Haines Road, Mahalaxmi	6,000	500	500	47,74,790	10,900	18,378	29,314	32,513	913	864	5,571	2,220	
							..	40,620	40,620	43,813	..	..	3,303	1,317	
45. Khatau Makanji Spinning and Weaving Co., Ltd. (including Bleaching, Dyeing & Finishing Works)	Messrs. Khatau Makanji & Co., Agents, Laxmi Buildings, 42, Ballard Pier, Fort, Bombay.	Haines Road, Byculla	Ord. 20,000; Pref. 10,000	100; 100	100; 100	30,00,000	..	62,844	62,844	56,727	1,811	1,456	8,304	2,817	
46. Khedival Mills Ltd. (formerly Coronation Mill)	Messrs. Nanchand Devchand & Co., Ltd., Agents, 33, Apollo Street, Fort, Bombay.	Haines Road, Mahalaxmi	10,000	25	25	41,23,000	12,022	31,824	43,846	43,178	..	..	8,702	1,417	
47. Kohinoor Mills Co., Ltd.	Messrs. Killick, Nixon & Co., Agents, Killick Buildings, Home Street, Fort, Bombay.	Naigaum Cross Road, Dadar	4,000	500	500	20,00,000	20,169	49,012	69,200	67,402	1,296	1,319	8,317	2,741	
48. Madhavrao Scindia Mills Ltd. (formerly Sun Mills Limited)	Messrs. Currimbhoy Ebrahim and Sons, Ltd., Agents, 12/14, Outram Road, Fort, Bombay.	Sun Mill Road, Lower Parel	Pref. 20,000; Ord. 18,000	100	100	38,00,000	4,349	39,972	44,320	39,719	604	604	7,000	2,019	
49. Madhowji Dharamsi Manufacturing Co., Ltd.	Messrs. Goculdas Madhavjee Sons & Co., Agents, Canada Building, Fort, Bombay.	Foras Road, Tardeo	Ord. 18,000; Pref. 2,700	100; 250	100; 250	20,23,750	1,900	35,516	37,432	33,077	860	780	4,276	2,116	
50. Maneckjee Petit Manufacturing Co., Ltd.	Messrs. D. M. Petit, Sons & Co., Agents, 359, Hornby Road, Fort, Bombay.	Tardeo	3,000	1,000	1,000	30,00,000	..	69,996	69,996	67,472	2,376	2,217	11,300	4,022	* Mill closed from 1st April 1923.
51. Dinshaw Petit Mills		Parel, Lalbagh					..	49,104	49,104	35,001	1,358	1,039	*3,174	*1,420	
52. Bomanjee Petit Mills		Mahaluxmi					..	47,360	42,908	29,417	1,252	1,230	4,219	2,342	
53. Manchester Mills, Ltd.	Messrs. Currimbhoy Ebrahim & Sons, Ltd., Agents, 12/14, Outram Road, Fort, Bombay.	DeLisle Road, Parel	4,800	500	500	24,00,000	3,384	40,212	43,596	40,212	907	929	5,090	2,146	
54. Meyer Sassoon Mills, Ltd.	Messrs. E. D. Sassoon & Co., Ltd., Agents, 15, Dougall Road, Ballard Estate, Fort, Bombay.	Ferguson Road, Lower Parel	10,000	100	100	10,00,000	11,728	30,584	42,312	42,095	1,012	814	6,822	2,072	
55. Moon Mills, Ltd.	Messrs. F. A. Hormusji & Co., Agents, 70, Forbes Street, Rampart Row, Fort, Bombay.	Sewree New Road	1,000	250	250	2,50,000	10,294	25,500	36,194	24,917	790	600	6,618	918	
56. Morarji Goculdas Spinning and Weaving Co., Ltd.	Messrs. Morarjee Goculdas & Co., Secretaries, Treasurers and Agents, Nadiam House, 31, Sprott Road, Ballard Estate, Bombay.	Suparibaug Road, Parel	1,130	1,000	1,000	11,30,000	..	82,532	82,532	78,442	1,605	1,572	12,218	3,830	
57. New China Mills (formerly China Mill)	Mr. Pransukhlal Mafatlal, Managing Director, 283, Hornby Road, Fort, Bombay.	Sewree	3,000	1,000	1,000	13,25,000	33,032	13,032	46,064	20,000	..	..	4,580	900	
58. New City of Bombay Manufacturing Co., Ltd.	Messrs. W. H. Brady & Co., Ltd., Agents, Royal Insurance Buildings, 12/14, Church Gate Street, Fort, Bombay.	Albert Road, Chinchpoogly	6,000	100	100	6,00,000	..	43,128	43,128	41,804	..	..	6,005	1,323	
59. New Great Eastern Spinning and Weaving Co., Ltd.	Messrs. W. H. Brady & Co., Ltd., Secretaries and Agents, Royal Insurance Buildings, 12/14, Church Gate St., Fort, Bombay.	Parel Road, Chinchpoogly	Ord. 7,500; Pref. 4,000	200; 200	200; 200	23,00,000	14,520	35,144	48,984	47,430	1,634	1,610	7,400	2,200	
60. New Islam Mills	Mr. Matallal Gopaldas, Lessee, 283, Hornby Road, Fort, Bombay.	Suparibaug Road, Parel	....	..	..	....	2,048	17,904	19,952	18,800	500	497	2,160	900	
61. New Kaiser-i-Hind Spinning & Weaving Co., Ltd.	Messrs. Vessonjee Moolji & Co., Agents, Shastry Building, 15a, Elphinstone Circle, Fort, Bombay.	Ghorupdeo Road, Chinchpoogly	1,870	500	500	9,35,000	900	40,000	40,900	39,342	1,036	1,014	4,024	1,823	
62. Pearl Mills, Ltd.	Messrs. Currimbhoy Ebrahim & Sons, Ltd., Agents, 12/14, Outram Road, Fort, Bombay.	DeLisle Road, Parel	7,988	250	250	19,97,000	..	49,356	49,356	49,000	*1,020	1,033	9,649	2,220	* 724 additional looms in course of erection.
63. Phoenix Mills, Ltd.	Messrs. Ramnarain Harnandrai & Sons, Agents, 143, Esplanade Road, Fort, Bombay.	Ferguson Road, Lower Parel	8,000	100	100	8,00,000	19,836	33,064	52,900	51,943	600	570	10,432	2,174	
64. Planet Mills, Ltd.	Messrs. Dhunjeebhoy Kalyanmal & Co., Agts., Kalyan Bhuvan 160/72 Kalbadevi Road, Bombay.	Do. do.	Ord. 13,000; Pref. 6,000	100; 100	100; 100	20,95,250	2,460	29,100	31,560	29,437	920	900	4,500	2,206	
65. Premier Mills, Ltd.	Messrs. Currimbhoy Ebrahim and Sons, Ltd., Agents, 12/14, Outram Road, Bombay.	Do. do.	20,000	100	100	19,97,500	..	13,668	13,668	12,913	172	169	1,823	1,144	
66. Presidency Mills Co., Ltd.	Messrs. Rajaram Maganlal & Co., Agents, 19, Bank Street, Fort, Bombay.	Do. do.	8,000	125	125	12,00,000	1,180	31,444	32,624	27,300	840	780	3,116	1,900	
67. [illegible] Mahaluxmi Mill[illegible]	Raja Gokuldas [illegible], 20, Apollo Street, Fort, Bombay.	Tardeo	....	..	..	....	..	18,004	18,004	..	..	..	..	..	Mill closed from February 1923.
68. Ruby Mills, Ltd. (formerly Sorab Mills)	Messrs. Hormusji & Co., Agents, Manilal Mansion, Hummum Street, Fort, Bombay.	Woollen Mill Gully, Lady Jamsetji Road, Dadar	12,000	100	100	12,00,000	..	12,866	12,866	12,441	303	298	4,944	1,032	
69. Sassoon Spinning and Weaving Co., Ltd.	Messrs. David Sassoon & Co., Ltd., Agents, 3, Forbes Street, Fort, Bombay.	Mount Estate, Mazagon	22,300	100	100	22,30,000	2,224	47,240	49,464	41,019	1,132	912	4,213	1,551	
70. Simplex Mills Co., Ltd.	Messrs. Albert Best & Co., Ltd., Agents, Canada Building, Hornby Road, Fort, Bombay.	Clerk Road, Jacob's Circle	9,000	250	250	22,50,000	936	37,298	38,234	35,981	1,272	1,038	6,384	2,300	
71. Sir Shapurji Broacha Mills, Ltd. (Connaught Mill)	Messrs. Mathuradas Goculdas & Co., Agents, Canada Building, Hornby Road, Fort, Bombay.	DeLisle Road, Chinchpoogly	24,930	100	100	24,93,134	1,672	91,628	96,300	90,900	731	501	12,000	3,676	
72. Do. do. (Empress Mill)															
73. Do. do. (New Empress Mill)															
		Total Carried forward				18,45,53,183	4,15,808	28,84,286	33,00,788	28,49,413	63,110	59,027	4,47,899	1,30,444	

Name of Mill.	Names of Agents or Owners and Office Address.	Situation of Mills.	Registered Capital.	Nominal value of each Share.	Amount called on each Share.	Total amount of Capital paid up.	Mule.	Ring.	Total.	Number of Spindles at work daily.	Number of Looms.	Number of Looms at work daily.	Average quantity of cotton consumed during the year in Cwts. of 784 lbs.	Number of Hands employed daily.	Remarks.
[illegible] ISLAND—contd.				Rs.	Rs.	Rs.									
			Total brought forward			18,45,03,[illegible]	4,15,[illegible]	[illegible]	[illegible]	29,[illegible]	62,[illegible]	59,[illegible]	4,47,[illegible]	1,[illegible]	
[illegible]	Messrs. Tata Sons, Ltd., Agents, [illegible] House, 24, Bruce Road, Fort, Bombay.	[illegible] Road, Lower Mahim.	2,000	500	500	12,00,000	3,900	40,[illegible]	44,[illegible]	43,[illegible]	1,1[illegible]	1,100	8,[illegible]	2,[illegible]	
[illegible]	Do. do. do.	[illegible]	30,000	100	100	30,00,000	[illegible]	58,[illegible]	59,[illegible]	58,[illegible]	1,[illegible]	1,[illegible]	19,[illegible]	[illegible]	
No. 2 [illegible]		Currie Road, Girgaum					6,[illegible]	39,[illegible]	45,[illegible]	41,[illegible]	1,1[illegible]	1,1[illegible]	8,[illegible]	2,[illegible]	
[illegible] Ltd.	Messrs. James Finlay & Co., Ltd., Agents, Chartered Bank Buildings, Fort, Bombay.	[illegible] Bombay No. 14.	21,000	100	100	21,00,000	8,[illegible]	23,[illegible]	31,[illegible]	31,[illegible]	[illegible]	[illegible]	4,[illegible]	1,2[illegible]	
[illegible]	Messrs. Tata Sons, Ltd., Agents, Bombay House, 24, Bruce Road, Fort, Bombay.	Dadar Road, Parel	Pref. 6,021 Ord. 6,000	500	500	64,95,[illegible]	[illegible]	65,[illegible]	65,[illegible]	58,[illegible]	1,[illegible]	1,[illegible]	9,[illegible]	3,[illegible]	
[illegible]	Messrs. David Sassoon & Co., Ltd., Secretaries, Treasurers and Agents, 9, Forbes Street, Fort, Bombay.	DeLisle Road, Parel	2,000	250	250	5,00,000	3,400	22,[illegible]	26,[illegible]	22,[illegible]	4[illegible]	[illegible]	4,0[illegible]	1,0[illegible]	
[illegible]	Messrs. Mangaldas Mehta & Co., Secretaries, Treasurers and Agents, 123, Esplanade Road, Fort, Bombay.	[illegible] Road	8,000	100	100	8,00,000	..	24,771	24,771	20,[illegible]	[illegible]	[illegible]	2,[illegible]	1,1[illegible]	
[illegible]	Messrs. Walji Dharamsey & Co., Proprietors, Dhobi Wadi Lane, Girgaum Back Road, Bombay.	[illegible] Road, Sewri.	....	..	..	....	1,900	4,2[illegible]	6,14[illegible]	6,1[illegible]	..	..	[illegible]	[illegible]	
[illegible] Weaving and Manufacturing Co., Ltd.	Messrs. Thackersey Mooljee Sons & Co., Agents, Secretaries and Treasurers, 19, Apollo Street, Fort, Bombay.	[illegible] Road, Chinchpoogly.	1,200	1,000	1,000	12,00,000	3,200	38,[illegible]	41,[illegible]	35,[illegible]	4[illegible]	[illegible]	5,2[illegible]	1,0[illegible]	
					Total	19,91,48,[illegible]	4,40,[illegible]	[illegible]	24,3[illegible]	21,[illegible]	72,[illegible]	69,[illegible]	4,97,[illegible]	1,5[illegible]	
IN COURSE OF ERECTION.															
[illegible]AY PRESIDENCY.															
[illegible] Mill Co., Ltd.	Messrs. Pandit Hay & Co., [illegible], Dhoba's Pole, Ahmedabad.	Dabhoi (Baroda State)	4,700	100	30	33,[illegible]	..	..	..	..	..	..	..	..	
[illegible] Ltd.	Messrs. Zadbaba Purdashi & Co., Secretaries, Treasurers & Agents, [illegible].	Surat Town	20,000	100	80	16,00,000	..	..	..	..	..	..	..	..	
[illegible] Mills Co., Ltd.*	Messrs. Nathabhai Kalidas Kevaldas & Co., Ltd., Secretaries, Treasurers & Agents, Office on Mill premises.	Kadi, Baroda State	12,000	100	30	....	..	13,[illegible]	13,[illegible]	..	..	..	..	..	*Partially working.
[illegible] Mill Co., Ltd.	Messrs. Pratapsingh Mohanlalbhai & Co., Agents.	Kalol, N. Gujarat.	12,000	100	25	7,[illegible]	..	8,[illegible]	8,[illegible]	..	..	..	..	..	Partially working.
[illegible] Ltd. / [illegible] Ltd.	Messrs. Sebkha & Co., Agents, [illegible]. / Messrs. Manek Fallah & Co., Secretaries & Agents, Hanamat Road, Surat Town.	Surat Town / Surat	16,000 / 24,000 / 13,000	12·5 / 30 / 25	..	....	..	..	..	..	..	..	..	..	
[illegible] Works.	Messrs. Naoroji & Co., Agents, 608-18, Girgaum Road, Bombay.	......	....	..	..	....	..	..	..	..	..	..	..	..	
[illegible] Wvg. & Mfg. Co., Ltd.	Messrs. Motilal Hamirchand & Sons, Agents, Office on Mill premises.	Dhulia, West Khandesh.	30,000	100	100	26,31,[illegible]	..	7,[illegible]	7,[illegible]	..	100	..	..	..	
[illegible] Ltd.	Messrs. Ranchhodlal Vrijlal & Co., Office on Mill premises.	[illegible], Lunsikui, Ahmedabad.	6,810	100	100	4,81,[illegible]	..	..	..	..	12[illegible]	..	..	..	
[illegible] and Weaving Co., Ltd.	Mr. [illegible], Managing Director, Outside [illegible] Gate, [illegible], Surat.	......	....	..	..	....	..	..	..	..	..	..	..	..	
[illegible] Industrial Co., Ltd.	Messrs. Ahmedmia Peshdalji & Co., Secretaries, Treasurers & Agents, Near Railway Station, Salihpur.	Near Railway Station, Salihpur.	7,000	100	100	5,97,[illegible]	..	[illegible]	[illegible]	..	..	..	..	..	
[illegible] Ltd.	Messrs. Kothari & Co., Managing Agents, Takan Khar Road, Surat Town.	Surat	20,000	100	*25	....	..	..	..	..	..	..	..	..	
[illegible] Mills & Electric Supply [illegible]	Messrs. Mehta & Co., Agents, [illegible], Surat Town.	Surat Town	10,000	100	..	....	..	..	..	..	..	..	..	..	
[illegible] and Manufacturing Co., Ltd.	Messrs. Patel & Co., Secretaries, Treasurers and Agents, Umreth (Station Road).	Umreth (Station Road)	2,800	125	25	82,0[illegible]	..	..	..	..	..	..	..	..	
[illegible] Manufacturing Co., Ltd.	Messrs. [illegible] & Co., Secretaries, Treasurers & Agents, Office on Mill premises.	[illegible], East Khandesh.	1,100 / 6,725	25 / 100	25 / 100	4,22,[illegible]	..	..	..	..	..	..	..	..	
					Total	62,9[illegible]	..	31,[illegible]	31,[illegible]	..	2[illegible]	..	..	[illegible]	
BERAR.															
[illegible] Ltd.	Messrs. Y. H. Deshmukh & Co., Secretaries, Treasurers & Agents, Amraoti.	Ellichpur, [illegible]	23,000	100	30	6,21,[illegible]	..	..	..	..	..	..	..	..	
					Total	6,21,[illegible]	..	..	..	..	..	..	..	..	
[illegible] NIZAM'S TERRITORY.															
[illegible] Ltd.	Messrs. Currimbhoy Ebrahim & Sons, Ltd., Currimbhoy House, 13-15, Outram Rd., Fort, Bombay.	[illegible] H. E. Nizam's Dominions	80,000	100	75	37,50,000	..	18,[illegible]	18,[illegible]	..	[illegible]	..	..	..	
					Total	37,50,000	..	18,[illegible]	18,[illegible]	..	[illegible]	..	..	..	
[illegible]GAL PRESIDENCY.															
[illegible]	Messrs. [illegible] & Co., Managing Agents, [illegible], Dacca.	Dacca	....	..	..	....	..	..	..	..	..	..	..	..	
[illegible]	Messrs. [illegible] & Co., Agents, [illegible] Street, Calcutta.	Calcutta	....	..	..	....	..	..	..	..	..	..	..	..	
[illegible] Mills	N. C. [illegible] Gupta, Esqr., Director, [illegible] Road, Chittagong.	......	....	..	..	....	..	..	..	..	..	..	..	..	
[illegible] Mills Co.	Messrs. [illegible] and [illegible], Managing Agents, [illegible] Road, Dacca.	Dacca	....	..	..	....	..	..	..	..	..	..	..	..	
[illegible] and Manufacturing Co., Ltd.	The [illegible] Trading Co., Agents, [illegible], Tipperah.	[illegible], Tipperah	....	..	..	....	..	..	..	..	..	..	..	..	
[illegible] Mills, Ltd.	Messrs. [illegible], Managing Directors, [illegible], Dacca.	[illegible], Dacca.	4,00,000	10	..	10,94,[illegible]	..	..	..	..	..	..	..	..	
[illegible] Spinning and Home Industries [illegible]	Messrs. N. K. Mitra & Co., [illegible] Street, Calcutta.	Calcutta	....	..	..	....	..	..	..	..	..	..	..	..	In liquidation.
[illegible] Mills	Messrs. [illegible] & Co., Managing Agents, [illegible] Road, Calcutta.	[illegible], near Calcutta	....	..	..	....	..	..	..	..	..	..	..	..	
[illegible] and Spinning Co.	Messrs. [illegible] & Co., [illegible], Calcutta.	Calcutta	....	..	..	....	..	..	..	..	..	..	..	..	
[illegible] Mills, Ltd.	Messrs. [illegible] and [illegible], Mg. Agents, Mymensingh.	Mymensingh	200	100	60	20,000	..	..	..	..	[illegible]	..	..	..	†Partially working.
					Total	11,23,400	..	..	..	..	[illegible]	..	..	[illegible]	
PUNJAB.															
[illegible] Mills	The [illegible] Trading Co., Managing Agents, 19, Canning Street, Calcutta.	[illegible]	1,20,000	10	10	8,19,[illegible]	..	10,000	10,000	..	[illegible]	..	..	..	
					Total	8,19,[illegible]	..	10,000	10,000	..	[illegible]	..	..	..	
[illegible]ES OF AGRA AND OUDH.															
[illegible] and Knitting Mills Co., Ltd.	Messrs. Varma Brothers, Managing Agents, Office on Mill premises.	[illegible]	30,000	10	8	10,[illegible]	..	..	..	..	110	..	..	..	
[illegible] Mills	Messrs. [illegible] & Co., Owners, [illegible], Cawnpore.	[illegible], Cawnpore	....	..	..	....	4,000	..	4,000	..	..	..	..	..	
[illegible] Cotton Mills	Messrs. H. [illegible] & Co., Proprietors, P.O. Box 29, Cawnpore.	Cawnpore	....	..	..	....	..	..	..	..	..	..	..	..	*Formerly mill destroyed by fire.
[illegible]	......	Chakrata Road, Saharanpur (U.P.)	....	..	..	....	..	..	..	..	..	..	..	..	
					Total	10,[illegible]	4,000	..	4,000	..	11[illegible]	..	..	..	
[illegible]DRAS PRESIDENCY.															
[illegible] Wvg. Mills, Ltd.	Mr. [illegible], Managing Agent and Director, [illegible] Road, [illegible].	[illegible], near [illegible] Canal Railway Station, M.S.M. Ry.	13,700	25	15	2,33,[illegible]	..	..	..	..	10[illegible]	..	..	..	
[illegible] Weaving Mills	Messrs. [illegible] Bros., Managing Agents, [illegible].	[illegible], Godavery Dist.	....	..	..	....	..	..	..	..	..	..	..	..	
[illegible] Ltd.	Messrs. [illegible] & Co., Ltd., Office on Mill premises.	Tinnevelly	2,200	1,000	500	....	..	50,000	50,000	..	..	..	..	..	
[illegible] East Mills Co., Ltd.	Mr. V. N. R. Rajagopal Iyer, [illegible], Madura.	[illegible], Madura	....	..	..	....	..	..	..	..	..	..	..	..	Partially working.
[illegible] Ltd.	Messrs. [illegible] & Co., Managing Agents, [illegible], Palghat.	[illegible] Town, Palghat.	....	..	..	....	..	..	..	..	..	..	..	..	
[illegible] Ltd.	Messrs. Madura Industrials, Ltd., 12[illegible], South Masi Street, Madura.	East Madura, S. India	40,000	100	20	3,65,[illegible]	..	20,000	20,000	..	3[illegible]	..	..	..	
[illegible] Weaving Co., Ltd.	Messrs. A. C. [illegible] & Co., Managing Agents, [illegible] Street, Madras.	Madura	3,000	100	..	....	..	..	..	..	..	..	..	..	
[illegible] Co., Ltd.	Messrs. K. R. [illegible] Chetty & Co., Agents, [illegible] Road, Madura.	Madura	Ass. 2,50,000 / Inl. 1,25,000 / Subs. 90,000	25	10	8,27,[illegible]	..	20,000	20,000	..	..	..	..	..	
[illegible] Weaving Works, Ltd.	[illegible], Managing Director, Tuticorin, Tinnevelly District.	Tuticorin, Tinnevelly Dt.	....	..	..	....	..	..	..	..	..	..	..	..	
[illegible] Mills, Ltd.	Messrs. [illegible] & Co., Ltd., No. 2[illegible] [illegible] Road, Madras.	Madras	....	..	..	....	..	..	..	..	..	..	..	..	
[illegible] Industrial Co.	Messrs. [illegible] & Co., Managing Agents, Cocanada.	Cocanada	....	..	..	....	..	..	..	..	..	..	..	..	
					Total	12,[illegible]	..	90,000	90,000	..	2[illegible]	..	..	..	

† Statement not received. Figures taken from last year's statement. § Native States. ‡ Proprietary Concern.

G. Claridge & Co., Ltd., Bombay.

BOMBAY MILLOWNERS' ASSOCIATION.

MILL STATEMENT FOR 31st AUGUST 1925.

SECOND PART.

Situation of Mill.	Capital: Number of Shares.	Nominal value of each Share.	Amount paid on each Share.	Total Amount of Capital paid up.	Number of Spindles: Mule.	Ring.	Total.	Average Number of Spindles at work daily.	Number of Looms.	Average Number of Looms at work daily.	Approximate quantity of cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.	Remarks.
		Rs.	Rs.	Rs.									
... Road, outside ... Gate, Ahmedabad.	10,000	100	100	10,00,000	..	30,612	30,612	30,328	800	792	4,134	1,141	
... Astodia Gate.	5,030	100	100	5,03,000	..	17,388	17,388	16,847	..	..	1,024	443	
... Road, Ahmedabad.	12,000	50	50	6,00,000	1,056	20,244	21,300	21,300	..	..	2,121	540	No Looms.
... gar Gate.	500	1,000	1,000	5,00,000	..	29,132	29,132	29,843	688	688	3,403	1,265	
... Road, Ahmedabad.	200	300	300	2,80,000	..	..	..	..	227	196	..	188	No Spindles.
... Ahmedabad.	10,500	100	100	10,50,000	..	65,516	65,516	[illegible]	1,700	1,672	7,000	3,978	
... Road, outside ... Ahmedabad.	484	1,000	1,000	4,84,000	..	18,940	18,940	18,440	448	434	2,017	779	
... Opp. G. P. O., Ahmedabad.	10,000	100	100	10,00,000	5,120	37,096	42,216	[illegible]	837	812	8,312	1,876	
... Road.	6,400	125	125	7,99,400	..	..	..	..	760	398	..	323	No Spindles.
[illegible]	800	1,000	1,000	8,00,000	..	17,036	17,036	[illegible]	396	396	1,920	710	
[illegible]	Issued 300 / Nominal 900	1,000	1,000	3,00,000	..	34,000	34,000	34,000	..	..	4,064	1,008	
[illegible]	16,000	125	125	20,00,000	—	39,272	39,272	37,766	1,330	1,349	6,449	2,586	
[illegible]	500	1,000	1,000	5,00,000	..	28,816	28,816	28,574	476	466	3,700	1,246	
[illegible]	2,100	250	250	5,25,000	..	16,000	16,000	14,176	252	252	474	498	In liquidation.
... Gate.	2,000	250	250	5,00,000	..	32,412	32,412	29,218	526	486	3,040	1,247	
[illegible]	323	1,000	1,000	3,25,000	..	24,900	24,900	24,800	..	..	3,180	728	
... Ahmedabad.	1,300	250	250	3,25,000	..	..	..	..	372	250	..	250	No Spindles.
... Ahmedabad.	10,000	100	100	10,00,000	1,212	33,896	*35,108	33,290	842	834	1,998	1,368	* Out of this 1,432 Ring Spindles & 1,212 Mule Spindles are scrapped for fire on 30th Dec. 1924.
... Tank, ... Gate.	2,432	125	125	7,09,307	2,512	5,080	7,592	7,092	..	..	110	182	
... Ahmedabad.	8,000	100	100	8,00,000	..	36,896	36,896	31,496	860	860	3,233	1,394	
... Ahmedabad.	Ord. 4,000 / Pref. 5,000	100 / 250	100 / 250	11,00,000	..	40,412	40,412	39,630	1,716	1,260	4,952	1,622	
... Ahmedabad.	300	1,000	1,000	3,00,000	..	23,236	23,236	17,193	452	274	467	718	
... Ahmedabad.	24,000	100	100	24,00,000	..	29,192	29,192	28,868	712	620	4,000	1,008	
... Ahmedabad.	3,308	100	100	3,30,800	..	25,632	25,632	[illegible]	472	434	2,512	923	
[illegible]	2,301	250	250	5,75,250	..	9,640	9,640	9,421	230	219	1,977	690	
[illegible]	2,000	250	250	4,98,425	..	13,960	13,960	13,960	253	242	1,791	490	
[illegible]	20,000	250	3,000—150 / 4,000—200	34,00,000	3,884	2,447 / 25,100	[illegible]	[illegible]	600	577	3,200	1,610	
... Ahmedabad.	3,228	125	125	4,03,500	..	21,628	21,628	[illegible]	*417	400	2,560	430	* 124 additional Looms in course of erection.
[illegible]	30,000	100	67	18,98,750	..	7,200	[illegible]	[illegible]	[illegible]	200	978	475	
[illegible]	Ord. 425	1,000 / 250	1,000 / 250	8,50,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	923	

No.	Names of Mills.	Names of Agents or Owners and Office Address.	Situation of Mill.	Capital: Number of Shares.	Nominal value of each Share.	Amount paid on each Share.	Total amount of Capital paid up.	Number of Spindles: Mule.	Ring.	Total.	Average Number of Spindles at work daily.	Number of Looms.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.	Remarks.
	RAJPUTANA.															
1.	Edward Mills Co., Ltd.	Messrs. Gadhmal Lodha and R. S. Kanwar Motilal, Agents, Diggi Street, Beawar, Rajputana.	Beawar Ajmer Merwara, Rajputana.	1,280	500	500	6,40,000	4,200	10,944	15,144	[illegible]	[illegible]	[illegible]	[illegible]	825	
2.	Krishna Mills, Ltd.	Messrs. Thakurdas Khimraj & Co., Secretaries, Treasurers and Agents, Post Box No. 30, Beawar, Rajputana.	Near Ry. Station, Beawar.	1,400	500	500	70,00,000	9,120	11,744	20,864	12,947	580	[illegible]	[illegible]	717	
3.	Mahalakshmi Mills Co., Ltd.	Messrs. Rai Sahib Seth Kundanmal and Seth Vithaldas Rathi, Secretaries, Treasurers and Agents, Beawar.	Beawar	13,000	100	100	13,00,000	..	7,040	7,040	7,040	200	200	*	[illegible]	*Not available.
4.	Maharajah Kishengarh Spinning & Weaving Mills Co., Ltd. [illegible]	Messrs. Callianji Damodar & Co., Agents, [illegible], Apollo St., Fort, B'bay.	Kishengarh, Rajputana	90,030	10	10	9,00,307	10,000	9,000	19,000	11,930	..		[illegible]	361	
			Total..				99,00,307	23,320	38,728	59,048	[illegible]	916	[illegible]	[illegible]	[illegible]	
	BERAR.															
1.	Berar Manufacturing Co., Ltd.	Messrs. Kasturchand Daulatbhoy & Co., Agents, Lloyd Building, Graham Road, Ballard Estate, Fort, Bombay.	Badnera	2,700	200	200	5,30,000	..	19,908	19,908	[illegible]	506	372	[illegible]	1,047	
2.	Savatram Ramprasad Mills Co., Ltd.	Seth Savatram Ramprasad, Agent, Akola, Berar.	Tajnapeth, Akola, Berar	1,510	500	500	7,55,000	..	19,000	19,000	[illegible]	200	182	[illegible]	851	
3.	Sir Hukamchand and [illegible] Spinning [illegible] Ltd. (formerly Akola [illegible] Weaving and Manufacturing [illegible])	Messrs. Sir Hukamchand and Balkishandas & Co., Agents, 366-368, Shaikh Memon Street, Bombay, No. 2.	Akola, Berar	33,000	100	100	34,84,370	400	23,068	23,470	20,048	436	412	[illegible]	1,174	
			Total				47,89,370	400	42,816	[illegible]	[illegible]	[illegible]	617	[illegible]	2,792	
	CENTRAL PROVINCES.															
1.	Bengal-Nagpur Cotton Mills [illegible]	Messrs. Shaw, Wallace & Co., Managing Agents, 4, Bankshall Street, Calcutta.	Raj-Nandgaon, C. P.	Ord. 90,000 / Pref. 3,000	10 / 100	10 / 100	12,00,000	480	28,140	28,620	25,800	480	457	[illegible]	1,072	1100 Spindles and 24 looms in course of erection.
2.	Burhanpur Tapti Mills, Ltd.	Messrs. Cowasji Dinshaw & Brothers, Secretaries, Treasurers and Agents, 121, Medows Street, Fort, Bombay.	Burhanpur, Lal Bag, Nimar District C. P.	12,000	100	100	12,00,000	..	18,512	18,512	[illegible]	494	436	[illegible]	[illegible]	
3.	Central India Spinning, Weaving [illegible] (Empress Mills)	Messrs. Tata, Sons, Ltd., Agents, Bombay House, 24, Bruce Road, Fort, Bombay.	Nagpur, C. P.	Ord. 48,673 / Pref. 10,000	100 / 500	100 / 500	98,67,300	..	1,00,332	[illegible]	99,341	2,220	2,201	[illegible]	7,216	
4.	Model Mills (Nagpur) [illegible]	Messrs. [illegible] Ahmedbhoy Dadabhoy & Co., Agents, Lloyd Bldg., Graham Road, Ballard Estate, Fort, Bombay.	Umrer Road, Nagpur, C. P.	37,470	250	250	94,17,500	..	52,400	52,400	48,600	1,030	1,010	[illegible]	2,801	
5.	Pulgaon Cotton Spinning and Weaving Co., Ltd. [illegible]	Mr. V. B. Barve (Secretary and Manager), Office on Mill premises.	Pulgaon, Dist. Wardha, C. P.	Ord. old 11,000 / Do. new 2,000	500 / 250	500 / 250	9,90,250	3,932	12,396	16,328	12,400	223	[illegible]	[illegible]	908	
6.	Rai Bahadur [illegible] Spinning and Weaving Mill.	Rai Bahadur Sir Bissesardass Daga, Kt., & Bros. (Private Owners), Victoria Road, Civil Lines, Sir Kasturchand Buildings, Nagpur, C. P.	Hinganghat, Dist. Wardha, C. P.	....	..	..	....	..	30,348	30,348	28,284	396	380	[illegible]	[illegible]	
7.	Rai Sahib Rekhchand Mohota [illegible] Spinning & Weaving Mill.	Seth Mathuradas Mohota and Gopaldas Mohota (Private Owners), Hinganghat.	Do. do.	....		..	....	..	20,976	20,976	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	480 Ring Spindles in course of erection.
8.	Raja Gokuldas Mills Co., Ltd. (formerly Gokuldas Balkishandas Cotton [illegible] Co., Ltd.)	Messrs. Mangaldas Mehta & Co., 123, Esplanade Road, Fort, Bombay.	Ranital, Jubbulpore, C. P.	6,000	100	100	6,00,000	..	18,490	18,490	[illegible]	400	367	[illegible]	[illegible]	
			Total..				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
	HYDERABAD (NIZAM'S) TERRITORY.															
1.	Aurangabad Mills, Ltd.	Messrs. Doraswami Iyer & Co., Agents, 82, Victoria Building, Fort, Bombay.	Aurangabad, Deccan	1,200	1,000	1,000	8,42,000	8,580	7,476	16,056	[illegible]	215	[illegible]	[illegible]	[illegible]	
2.	Dewan Bahadur Ramgopal Mills, Ltd.	Messrs. Luchminarain Ramgopal and Sons, St. John's Road, Secunderabad (Deccan).	Chikalguda, Hyderabad (Deccan)	6,000	500	500	29,99,800	..	16,276	16,276	[illegible]	273	[illegible]	[illegible]	[illegible]	
3.	Hyderabad (Deccan) Spinning and Weaving Co., Ltd.	Messrs. [illegible] and [illegible], Secretaries, Treasurers and Agents, [illegible] House, Tamarind Lane, Fort, Bombay.	Hyderabad, Deccan	700	1,000	1,000	7,00,000	..	17,500	17,500	12,000	273	[illegible]	749	[illegible]	
4.	Mahaboob Shahi [illegible] Mills Co., Ltd.	Messrs. S. E. [illegible] & Sons, Secretaries, Treasurers and Agents, Shapoor Wadi, Hyderabad (Deccan).	Gulbarga, Deccan	1,198	300	300	3,90,000	..	28,904	28,904	[illegible]	[illegible]		[illegible]	[illegible]	
			Total..				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
	CENTRAL INDIA.															
1.	Binod Mills Co., Ltd.	Messrs. Binodiram Balchand, Secretaries, Treasurers and Agents, Jhalrapatan City, Rajputana.	Ujjain, Gwalior	30,000	[illegible]	100	30,00,000	..	33,048	33,048	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
2.	Hukamchand Mills, Ltd.	Messrs. Sarupchand Hukamchand & Co., Secretaries, Treasurers and Agents, Office on Mill premises.	Indore City	[illegible]	[illegible]	[illegible]	30,15,000	408	[illegible]	[illegible]	[illegible]	1,471	[illegible]	[illegible]	[illegible]	
3.	Indore-Malwa United Mills, Ltd.	Messrs. Currimbhoy Ebrahim & Sons, Ltd., Secretaries, Treasurers and Agents, Currimbhoy House, 12-14, Outram Road, Fort, Bombay.	Indore, Malwa	[illegible]	[illegible]	[illegible]	[illegible]	2,180	41,692	44,274	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
4.	Jiyajeerao Cotton Mills, Ltd.	Messrs. Birla Bros., Ltd., Agents, 137, Canning St., Calcutta.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
5.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

[illegible]	[illegible] Proprietor, Office on Mill premises	[illegible]					[illegible]	12,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mill not working.
	Mr. F. Burman, Esq., Manager, Jorhat Town, Assam	Jorhat Town, Assam													
	Mr. R. K. Lahiri, Managing Director, 24, Pollock Street, Calcutta	Mahesh, Serampore, Dist. Hooghly, Bengal						35,184	36,000	35,000	14	276	3,000	1,776	2786 Spindles.
	Hon'ble Raja Motichand, C.I.E., Proprietor, Goosery Road, P.O. Salkia, Howrah, Bengal	Goosery Road, Howrah, Bengal	....	..	..	....	17,672	7,840	23,512	..	..	..	..	..	Mill not working since 31st March 1925.
	Messrs. Kettlewell, Bullen & Co., Ltd., Agents, 21, Strand Road, Calcutta	Bowreah, Dist. Howrah, Bengal	18,000	100	100	18,00,000	33,832	32,576	66,408	62,680	..	..	3,112	1,976	
	Messrs. Kettlewell, Bullen & Co., Secretaries, 21, Strand Road, Calcutta	Shamnagar, District 24-Parganahs, Bengal	Ord. 14,000 / Pref. 5,000	100	100	19,00,000	9,536	37,072	46,608	45,148	10	18	5,452	1,040	
	Messrs. Sukhdevdas Ramprasad, Agents, 6, Royal Exchange Place, Calcutta	Grand Goab Lane, Behr	Ord. 2,00,000 / Pref. 10,000	10 / 100	10 / 100	26,72,796	..	13,792	13,792	13,334	200	180	1,386	330	
	Messrs. Birla Bros., Ltd., Agents, 137, Canning Street, Calcutta	42, Garden Reach Road, Calcutta	Pref. 20,000 / Ord. 6,00,000	100 / 10	100 / 10	80,00,000	1,440	77,096	78,536	76,440	1,356	1,216	11,158	3,[illegible]	
	Messrs. Sadhuram Tosiaram, Proprietors, No. 9, Jagganath Mallick's Lane, Calcutta	122, Old Goosery Road, Howrah, Bengal	....			....	—	27,412	27,412	27,000	..	..	6,048	1,001	* Mule spinning dept. destroyed by fire on 17-8-25.
	Messrs. Chakravarti Sons & Co., Managing Agents, Kushtia, Bengal	Kushtia Nadia, Bengal	12,000 / 1,20,000	25 / 10	25 / 5	10,50,000	..	10,852	10,852	..	228	161	..	312	
	Messrs. Kettlewell, Bullen & Co., Ltd., Agents, 21, Strand Road, Calcutta	Fuleshwar, P.O. Uluberia, Dist. Howrah, Bengal	Pref. 3,000 / Ord. 3,000	100	100	6,00,000	..	23,904	23,904	22,212	..	..	3,760	840	
	Messrs. Hanutmull Hoomal, Owners, 149, Cotton St., Calcutta	Serampore, Mahesh, E. I. Ry. (Bengal)	....	..	..	....	..	..	..	..	300	200	..	243	No Spindles.
	Messrs. P. K. Gundar & Co. (Private Owners), 43 & 44, Ezra Street, Calcutta	Goosery, Salkia, P.O. Howrah District	....			....	..	12,000	12,000	10,100	..	..	1,980	396	
					Total	1,70,24,796	84,936	3,00,000	3,85,000	2,93,336	2,0[illegible]	2,0[illegible]	44,[illegible]	11,47[illegible]	
[illegible] Amritsar	Rai Bahadur [illegible], Owners, Amritsar	Grand Trunk Road, Amritsar (Punjab)	....	..	..	....	13,032	6,368	20,000	20,000	232	232	2,182	640	
[illegible] Weaving Mills, Ltd.	Messrs. Birla Bros., Ltd. (Agents), 137, Canning Street, Calcutta	Subzimandi, Delhi	1,50,000	10	10	13,47,500	3,900	14,784	18,774	13,867	308	304	3,418	1,091	
[illegible] Mills Co., Ltd.	Rai Bahadur Dhanushri Modial, Proprietor, 6, Clive Row, Calcutta	Bhiwani	....	..	..	....	3,420	10,720	14,140	10,000	287	190	222	400	
	Mr. Lala Madan Mohanlal, Secretary, Office on Mill premises	Rohtak Road, Delhi	42,000	25	25	10,00,000	9,368	11,808	21,176	19,348	820	761	4,200	1,969	
[illegible] Spinning and Weaving Co., Ltd.	Messrs. Jaiwant Singh Sundersingh, Proprietors, Office on Mill premises	Lahore Road, Amritsar, Punjab	....			....	8,472	4,936	13,408	3,000	196	75	1,400	360	
[illegible] Weaving Mills Co., Ltd.	Messrs. Parmanand Harnandrai, Mg. Agents, Khatra Tobacco, Delhi	Grand Trunk Road, Delhi	20,000	100	100	10,01,900	..	..	..	..	467	275	..	360	
[illegible] Mills	Sardar [illegible] Singh & Seth Lakhmichand Jeypuria (Private Owners), Subzimandi, Delhi	Subzimandi, Delhi	....			....	5,472	2,752	8,224	7,168	122	112	1,344	400	
	Hon'ble R. B. Mehta & Sons, Owners, 3, Mela Ram Road, Lahore	Mela Ram Road, Lahore	....			....	6,400	6,848	13,248	..	..	..	..	..	Mill not working.
					Total	33,49,430	50,364	56,146	1,09,160	75,464	2,250	1,909	12,866	5,000	
AGRA AND OUDH.															
[illegible] Mills Co., Ltd.	The Dartunga Trust, Ltd., Managing Agents, Belangang, Agra	Raj Ghat, Agra, U.P.	4,000	100	100	4,00,000	22	13,992	14,014	13,952	..	..	2,229	320	
(formerly John's Cawnpore, formerly John's Princess of [illegible], formerly John's Spinning, formerly John's Weaving)	The Dartunga Trust, Ltd., Managing Agents, Belangang, Agra	Jaan-ka-Bagh, Agra	Ord. 5,00,000 / Pref. 50,000	10 / 100	10 / 100	17,50,800 / 47,49,100	64	31,280	31,344	41,422	..	..	5,475	1,688	
[illegible] Ltd.	Messrs. Atherton West & Co., Ltd., Agents, Office on Mill premises	Anwarganj, Cawnpore	....	..	..	....	10,000	10,000	20,000	20,000	300	300	2,400	736	
	Messrs. Sital Prasad Kharag Prasad, Mg. Agents, Office on Mill premises	Chowkaghat, Benares Cantonment	4,44,100	10	10	26,29,076	442	14,440	14,882	13,804	175	100	1,900	800	
	The British India Corporation, Ltd., Owners, Civil Lines, Cawnpore	Cooperganj, Cawnpore, U.P.	....	..	..	....	63,828	14,272	78,100	70,200	678	600	10,[illegible]	3,000	
	Messrs. Begg, Sutherland & Co., Ltd., Agents, Sutherland House, Cawnpore	Chunniganj, Cawnpore	Auth. 5,00,000 / Issued 2,54,282	10	10	25,42,820	15,540	14,390	29,930	10,792	..	..	8,118	1,161	
	Messrs. Begg, Sutherland & Co., Ltd., Agents, Sutherland House, Cawnpore	Cawnpore, U.P.	32,000	100	100	32,00,000	40,272	18,316	58,588	58,250	1,392	900	9,024	2,000	
[illegible] Spinning and Wvg. Mills	Lala Kamlapat, Owner, [illegible] Mohal, Cawnpore	Anwarganj, Juhi, Cawnpore	....	..	..	....	..	30,240	30,240	30,240	780	780	2,160	900	
[illegible] Cotton Spinning and Wvg.	Lala [illegible] Lal, Saheb, Proprietor, Office on Mill premises	Nadabad Gate, Hathras City, Aligarh District	....	..	..	....	13,480	7,224	20,704	20,704	..	..	4,804	597	
[illegible] Weaving Mills Co., Ltd.	F. C. Antia, Esq., Manager, Office on Mill premises	Kandanpur, near Moradabad, U.P.	850	500	500	4,25,500	10,080	..	10,080	9,392	..	..	2,37[illegible]	297	
[illegible] Mill Co. (formerly [illegible] Spinning Mills)	Sir Thomas Smith, Kt., Managing Director, Cawnpore; Messrs. Harichand Purshotamdas, Proprietors & Agents, Mursan Gate, Hathras City	Hathras City, Aligarh Dist.	Ord. 30,000 / Pref. 30,000	50 / 50	50 / 50	30,00,000	54,720 / 10,038	22,984 / 10,174	77,704 / 21,012	74,902 / 18,500	1,332	1,440	12,000 / 4,944	2,001 / 830	200 Looms under erection.
[illegible] Ltd.	R. B. Bhusan, Esq., Secretary, Office on Mill premises	Gwaltoli, Cawnpore	Ord. 8,00,000 / Pref. 5,00,000	10 / 10	10 / 10	1,30,00,000	66,410	37,328	1,03,938	92,788	1,807	1,693	12,314	3,200	
	[illegible] Kirparam, Bijalal, Agents, [illegible]	Ujhani District, Budaun	30,000	100	100	23,00,000	..	13,460	18,460	17,898	..	..	7,642	480	
[illegible] Cotton Mills Co., Ltd.	Messrs. Vikramajit Singh Prakashnarain Bahadur, Talkatora, Lucknow	Talkatora, Lucknow	Ord. 50,000 / Pref. 32,000 / Debt. 9,000	10	10	8,50,153	..	14,512	14,512	14,643	..	..	2,353	843	1,336 Spindles in course of erection.
[illegible] Mill Co., Ltd.	Seth [illegible] Mannilal, Managing Director, Mirzapur, U.P.	Narwa, Mirzapore, U.P.	4,746	100	100	4,74,600	6,013	8,132	14,147	6,702	132	58	540	467	
	Babu Kishanprasad (Owner), Office on Mill premises	Nar Ghat, Mirzapur	....	..	..	1,14,857	..	..	..	..	100	..	..	..	No Spindles. Mill closed temporarily.
[illegible] Co., Ltd.	H. Hessman, Esq., Managing Director, Juhi, Cawnpore	Juhi, Cawnpore	32,000	100	100	32,00,000	..	40,000	40,000	40,000	450	450	9,000	1,328	
[illegible] Ltd. (formerly [illegible] Co.)	Messrs. Chunilal Jagjivan & Co., Agents, Allahabad Bank Building, 72, Apollo Street, Fort, Bombay	Kashganj Road, Hathras City, U.P.	Auth. 80,000 / Subscr. 40,[illegible]	50	50	20,04,320	2,000	10,000	12,000	..	..	..	..	..	Mill not working.
					Total	4,38,07,[illegible]	2,94,011	2,24,9[illegible]	5,18,9[illegible]	4,87,12[illegible]	5,420	4,97[illegible]	71,38[illegible]	21,37[illegible]	
PRESIDENCY.															
[illegible] Ltd.	Messrs. Binny & Co., Ltd., Managing Agents, 7, Armenian Street, Madras	Perambore, Madras	48,734	100	100	38,73,400	..	48,800	48,800	20,0[illegible]	1,217	778	2,041	4,91[illegible]	
	Messrs. Binny & Co., Ltd., Managing Agents, 7, Armenian Street, Madras	Do. do.	21,210	100	100	21,21,000	..	46,900	46,900	44,398	1,130	1,120	1,169	4,487	
[illegible] Co., Ltd.	Messrs. T. Stanes & Co., Ltd., Managing Agents, Race Course, Coimbatore	Coimbatore Town, Ammapalayam	8,314	80	80	7,00,000	..	4,670	4,670	4,500	200	170	250	600	
[illegible] Weaving Co., Ltd.	Messrs. T. Stanes & Co., Ltd., Agents and Secretaries, Race Course, Coimbatore	279, Mill Road, Coimbatore	12,000	100	100	12,00,000	..	37,931	37,932	36,050	362	280	4,100	2,112	
[illegible] Calicut Weaving Works / Cannanore Weaving Works	G. H. Hodgson, General Manager, The Commonwealth Trust, Ltd., Calicut	Calicut / Cannanore	90,000	£1	£1	£ 31,645 / 1s. 4d. Ex. / Rs. 7,74,648	..	..	..	..	222 / 219	16 / 142	..	180 / 108	
	Rao Bahadur F. Somasundaram Chettiar, Local Agent, Coimbatore	Ammaperpalayam, Coimbatore	6,900	100	100	6,90,000	..	25,908	25,908	25,908	..	..	3,800	700	3,120 additional Spindles in course of erection.
[illegible] Madura	Messrs. A. & F. Harvey, Managers, Madura	Madura	35,000	100	100	35,00,000	..	1,68,720	1,68,720	1,36,591	..	..	20,800	5,323	
[illegible] Tuticorin [illegible]	Messrs. A. & F. Harvey, Managers, Tuticorin	Tuticorin	13,000	100	100	13,00,000	..	44,736	44,736	42,562	..	..	3,790	1,670	
[illegible] Spg. and Wvg. Mills Co., Ltd.	Messrs. Narandas Mulji Jaitha & Co., Secretaries and Treasurers, 340, Standard Buildings, Hornby Road, Fort, Bombay	De Mellows Road, Choolai, Madras	2,602	250	250	5,00,500	..	30,604	30,604	30,500	400	430	3,840	1,040	
[illegible] Weaving Co., Ltd.	Messrs. A. L. A. R. Arunachalam Chettiar, Zemindar of Devakotta, Rao Bahadur P. Somasundaram Chettiar, and A. K. T. K. M. Narayanan Namboodripad, Secretaries, Treasurers and Agents, Kallai, Malabar	Kallai, Malabar	3,000	200	200	6,00,000	..	17,080	17,080	14,832	..	..	1,721	286	
	Mr. A. T. Christian, Owner, Cannanore	Cannanore	....	..	..	....	..	300	300	225	36	45	22	96	
	Messrs. A. G. Gurusawmy Naidu & Co., Mg. Agents, Office on Mill premises	Peelamedu, Coimbatore	2,000	100	..	9,00,000	..	10,800	10,800	10,800	..	..	1,100	330	
	Messrs. T. R. Ananthrama Iyer & Bros. Ltd., Managing Agents, Trichur Post, Cochin State, Malabar Coast	Trichur, Cochin State, Malabar coast	Ord. 10,000 / Pref. 4,000	100 / 25	100 / 25	12,86,410	..	10,128	10,128	8,284	260	273	400	780	
[illegible] A. R. A. R. S. M.	Somasundaram Mill Ltd., Office on Mill premises	18, Barracks Road, Vepery, Madras	14,400	100	100	14,75,000	..	10,400	10,400	10,400	..	..	..	..	Mill not working.
[illegible] Spg. & Wvg. Mills Ltd.	Messrs. P. S. Govindaswami Naidu & Sons, Managing Agents, Coimbatore	Peelamedu, Coimbatore District	20,000	100	100	17,91,920	440	23,472	23,912	21,280	..	..	3,062	900	
[illegible] Mills Ltd.	Mr. Vasta Venkataratnam, Manager and Treasurer, Office on Mill premises	Pandalapaka, Godavary District	9,971	25	100	2,49,275	..	2,736	2,736	2,700	..	..	730	154	
[illegible] (formerly Sri [illegible])	Rai Bahadur Bisesar Lall Motilal, Mg. Agents, 6, Clive Row, Calcutta	Koilpatti, Tinnevelly District	Ord. 1,00,000 / Pref. 5,000	10 / 100	10 / 100	15,00,000	..	18,100	18,100	18,100	*100	*2	1,600	600	*Hand Looms.
	Messrs. A. & F. Harvey, Managers, Ambasamudram, Tinnevelly District	Papanasam, Ambasamudram Taluk, Tinnevelly District	4,800	250	250	12,00,000	..	42,784	42,784	42,574	..	..	6,000	1,628	
					Total	3,93,40,840	440	5,67,790	5,68,230	5,2[illegible]	4,43[illegible]	3,423	74,333	28,431	
TRAVANCORE.															
[illegible] Cotton Mills (formerly [illegible] Co.)	Messrs. [illegible] & Brothers, Managing Agents, Office on Mill premises	Quilon	....	..	..	....	1,300	24,192	25,500	25,270	..	..	4,128	672	
[illegible] Spinning and Weaving Industrial [illegible]	Mr. A. Satyavagiswara Iyer, B.A., B.L., Managing Director, Nagercoil, S. Travancore	Nagercoil, S. Travancore	Issued 90 / Sub. 13	250 / 250	250 / 250	3,736	..	..	..	..	13	10	..	13	Khaddar yarn used. No Spindles.
					Total	3,736	1,300	24,192	25,500	25,270	13	10	4,128	672	
MYSORE.															
[illegible] Cotton and Silk Mills Co., Ltd.	Messrs. Binny & Co., Ltd., Agents, Secretaries, and Treasurers, Madras, and 9, Throgmorton Avenue, London, E.C.	Agraram Road, Bangalore City	28,250	100	100	28,25,000	..	26,224	26,224	25,000	600	560	4,680	3,300	
[illegible] Mills, Ltd.	Messrs. N. Callianjee and A. H. Munshi & Co., Managing Agents, Yeswantapur, Bangalore City	Yeswantapur, Bangalore City	24,000	100	100	2,37,750	..	..	..	..	100	80	..	120	No Spindles. In Liquidation.
[illegible] Factory	Mr. M. H. P. Ghataiah, Owner, Bangalore City	Bangalore City	....	..	..	30,000	..	..	..	..	12	10	..	90	No Spindles.
	Messrs. S. Sirur & Co., Agents, 9, Bank Street, Fort, Bombay	Bangalore	24,748	100	60	14,51,742	..	13,828	13,828	5,220	..	..	230	361	
[illegible] Manufacturing Co., Ltd.	Messrs. N. Sirur & Co., Agents, Henshaw's Bldg., 9, Bank Street, Fort, Bombay	Tumkur Road, Malleshwaram, Bangalore City	23,833	50	50	11,94,100	..	38,154	38,154	32,888	300	300	3,360	1,700	
[illegible] Ltd.	Messrs. M. L. Vardhamanaiah & Co., Managing Agents, Narasimha Buildings, Sayaji Square, Mysore	Siddalingapura, Mysore	80,000	50	50	39,01,150	..	23,200	23,200	16,700	..	..	2,848	900	
					Total	95,39,8[illegible]	..	1,01,406	1,01,406	80,80[illegible]	1,01[illegible]	950	11,[illegible]	6,97[illegible]	
PONDICHERRY.															
[illegible] Co., Ltd. (Rodier Mill)	Messrs. Best & Co., Ltd., Agents and Managers, Madras, and Messrs. Blyth Greene Jourdain & Co., 47-51, King William Street, London, E.C., Agents at London	Pondicherry	Pref. 3,69[illegible] / Ord. 1,00,000	£10 / £1	36,900 / 1,00,000	£ 1,36,900 / 1s. 4d. Ex. / Rs. 23,48,700	..	42,944	42,944	42,944	682	682	6,974	3,300	
[illegible] Mills Ltd.	Messrs. Hira Bros., 137, Canning St., Calcutta	Mudaliarpet, Pondicherry	10,000	100	100	10,00,000	..	9,072	9,072	5,420	242	..	505	440	Mill not working from 1st Jan. 1925.
[illegible] Savana (Indo-française)	Mr. Ch. Collas, Director-General Savana, Pondicherry	Savana (Indo-française), Pondicherry	12,000	Fcs. 500	Fcs. 500	Fr. 60,00,000 @1·73 Rs. 34,68,000	1,300	15,536	17,000	16,800	630	311	2,400	1,600	
					Total	67,78,[illegible]	1,300	67,552	69,016	65,164	1,562	1,444	9,879	5,340	
					Grand Total	40,64,36,1[illegible]	9,77,172	78,33,481	88,57,[illegible]	74,34,[illegible]	1,81,92[illegible]	1,92,3[illegible]	13,1[illegible]	3,67,81[illegible]	
CEYLON.															
[illegible] Weaving Co., Ltd.	Messrs. [illegible] & Sons, Ltd., Agents, 13-14, [illegible] Bldg., Fort, Bombay	Pamankade Road, Wellawatte, Colombo, Ceylon	12,000	100	100	12,00,000	400	15,972	16,372	14,[illegible]	630	314	3,300	1,106	

* [illegible] the figures for 59 Mills which made no returns as to Capital.

T. MALONEY, *Secretary*

...Co., Ltd.	Messrs. Dinshaw... and ... Ltd., Secretaries, Treasurers and Agents. Office on Mill premises.														
...Spg. & Wvg. Mills Ld.	The New Textile Co., Managed... Office on Mill premises.	Navsari	95,000	100	100	87,32,400	3,400	14,...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	In Liquidation.
36. Gokak Mills, Ld.	Messrs. Forbes, Forbes, Campbell & Co., Ltd., Managing Agents, Forbes Building, Home Street, Fort, Bombay.	Belgaum	30,047	100	100	30,04,700	1,320	71,944	73,...	[illegible]	..	..	13,320	2,900	
37. [illegible] Spinning, Weaving and Manufacturing Co., Limited.	Seth Mahomedally Taiyabally, Office on Mill premises.	Ahmedabad	3,200	125	Rs. 100 on 1,600; Rs. 40-0 on 1,600	3,60,000	8,000	3,636	8,302	7,...	..	..	11	170	Mill closed.
38. [illegible] Spinning and Manufacturing Co., Ltd.	Messrs. Narandas Jekisandas..., Office on Mill premises.	Ahmedabad	15,730	[illegible]	[illegible]	7,86,573	..	17,492	17,492	18,290	543	530	2,125	822	
39. Gujarat Cotton Mills Co., Ltd.	Messrs. Parikh Shantilal ..., Agents, Naroda Road, ... Gate, Ahmedabad.	Kalupur, Ahmedabad	8,402	125	125	10,50,250	..	23,...	23,...	23,...	616	614	3,124	1,300	
40. Gujarat Ginning and Manufacturing Co., Ltd.	Messrs. Jamnadas ..., Office outside Prem Gate, Ahmedabad.		924	1,000	1,000	9,24,000	..	62,008	62,008	66,619	1,007	1,157	8,984	2,700	
41. Gujarat Spinning and Weaving Co., Ltd.	Messrs. Jamnabhai Mansukhbhai & Co., Agents. Office on Mill premises.	...Gate	420	1,000	1,000	4,20,000	..	26,424	26,424	25,...	674	[illegible]	2,338	1,000	
42. Harivallabhdas Kalidass Mills Co., Ltd.	Messrs. Girdharlal Harilal & Co., Agents. Office on Mill premises.	...Gate	[illegible]	1,000	1,000	3,25,000	..	16,332	16,232	13,222	306	[illegible]	1,702	842	
43. [illegible] Manufacturing Co., Ltd.	Messrs. Maneklal Mansukhbhai & Co., Agents, Office, Shahpur Bungalow, Ahmedabad.	...Gate	[illegible]	250	250	2,22,500	..	18,552	18,552	16,919	..	..	1,327	402	
44. [illegible] Mills, Ltd. (formerly [illegible] Spinning and Weaving Co., Ltd.)	Messrs. C. N. [illegible] & Co., Agents, Office on Mill premises.		Ord. 1,000; Pref. 3,000	100	100	10,25,900	..	17,839	17,839	..	408	..			*In Voluntary Liquidation. Mill closed. No Spindles.
45. [illegible] Manufacturing Co., Ltd.	Messrs. Dhirajlal Khusaldas & Bros. Agents. Office on Mill premises.	...Gate	1,436	125	125	1,79,500	..	..	..	..	370	210	..	280	
46. India Spg. & Wvg. Co., Ld.	Messrs. Girdhardas & Sons, Agents. Office on Mill premises.	Mahudev?, Ahmedabad	2,000	100	100	9,26,369	..	14,000	14,000	11,637	300	210	1,340	543	
47. Jam Shri Ranjitsinghji Spinning and Weaving Mills Co., Ltd.	Messrs. Lalji Naranji & Co., Secretaries, Treasurers and Agents, Ewart House, Tamarind Lane, Fort, Bombay.	..	777	1,000	1,000	7,77,000	600	19,608	20,218	20,085	..	..	3,479	615	*840 looms in course of erection. Mill not working since 1st April 1929. In Voluntary Liquidation.
48. [illegible] Spinning and Manufacturing Co., Ltd.	Messrs. Manibhai Premabhai & Co., Secretaries, Treasurers and Agents. Office on Mill premises.	...Gate	192	1,000	1,000	1,98,000	..	..	..	..	300	182	..	180	
49. Jehangir Vakil Mills Co., Ltd.	Messrs. Rustomji Mangaldas & Co., Ltd., Agents, Office on Mill premises.	...Gate	4,000	250	250	7,00,000	..	27,468	27,468	29,400	831	808	2,600	988	
50. Kalol Cotton Mills Co., Ltd.	Messrs. Mohanlal A. Mehta & Bros., Agents. Office on Mill premises.		12,000	100	100	10,75,600	..	1,100	4,100	4,100	224	192	320	208	
51. Kalol Kapadia Spg. & Wvg. Mills Co., Ltd.	Messrs. Rajibhai B. Patel and Bhagwandas Kashidas, Official Liquidators, Kalol.		9,290	100	100	4,35,643	..	14,572	14,572	..	30	..	584	200	In Liquidation.
52. ‡ Kalol Swadeshi Mills Co., Ltd.	Mansukhlal Jamnadas Saraiya, Liquidator, The Kalol Swadeshi Mills, c/o ..., Ahmedabad.		2,900	100	100	2,90,000	..	..	..	..	50	50	..	48	No Spindles. Mill in Liquidation.
53. Khandesh Spinning and Wvg. Mills Co., Ltd.	Messrs. Mulji Jaitha & Co., Secretaries and Treasurers, Ewart House, Tamarind Lane, Fort, Bombay.	Jalgaon	750	1,000	1,000	7,50,000	346	21,020	21,372	20,208	459	449	3,186	1,358	
54. Lakshmi Cotton Manufacturing Co., Ltd.	The Bombay Co., Ltd., Secretaries, Treasurers and Agents, 9, Wallace St., Fort, Bombay.	..	1,600	1,000	1,000	16,00,000	..	45,792	45,792	41,401	861	843	6,050	3,210	
55. ‡ Maharaja Mills Co., Ltd.	Messrs. Hargovinddas D. Kantavala & Co., Agents, Post Box No. 24, Baroda.		495	1,000	1,000	4,95,200	900	18,140	18,640	18,202	600	343	2,197	608	
56. Manekchowk and Ahmedabad Mfg. Co., Ltd., Nos. 1 & 2	Sheth Hiralal Tricumlal, Agents, Office on Mill premises.	...Ahmedabad	525	1,000	1,000	5,25,000	..	28,784	28,784	24,943	685	645	2,918	1,135	
57. Maneklal Harilal Spinning and Mfg. Co., Ltd.	Messrs. Harilal Harivallabhdas & Co., Agents, near Rly. Station, Ahmedabad.	...Ahmedabad	490	1,000	1,000	4,90,000	..	31,732	31,732	31,289	540	526	4,294	1,136	
58. ‡ [illegible] Mill	R. B. Seth Manordas Harakchand, Owner, Office on Mill premises.	Nadiad, Kaira	....	..	..	....	2,070	12,798	14,868	..	..	..	..	..	Mill not working since Febr. 1929.
59. Marsden Spinning and Manufacturing Co., Ltd.	Messrs. Marsden Bros. & Co., Ltd., Agents	...Ahmedabad	13,439	100	100	13,42,440	..	10,050	10,050	9,800	352	312	173	429	
60. Motilal Hirabhai Spinning, Weaving and Mfg. Co., Ltd.	Messrs. Motilal Hirabhai..., Agents, ... Darwaja, Railwaypura Post, Ahmedabad.		8,961 / 10	100 / 250	100 / 250	8,99,000	..	30,848	30,848	28,250	700	698	2,805	1,222	
61. ‡ [illegible] Chandlal Cotton Spg. and Wvg. Mills (formerly Gadag Cotton Spinning and Weaving Mills)	Sheth Motilal Chandulal, Sole Proprietor, Gadag.	Gadag (Dharwar)	....			....	1,440	16,560	18,000	..	300	..	1,300	..	Mill closed.
62. [illegible] Manufacturing Co., Ltd.	Raja Bahadur [illegible], Agents, Office on Mill premises.	... Railway Station	1,000	1,000	1,000	10,00,000	..	67,296	67,296	61,494	763	763	10,106	3,811	
63. National Mills Co., Ltd.	Messrs. Chimanlal and Govindlal & Co., Agents, Office on Mill premises.	... Road, outside ...pur Gate, Kalupur, Ahmedabad	440	1,000	1,000	4,40,000	..	15,198	15,198	16,197	400	324	2,049	583	
64. ‡ ‡ National Spg., Wvg., and Hosiery Mills (formerly Rajkot State Mills)	Messrs. Jussawala & Sons, Agents, ... Road, Rajkot, Kathiawar.		19,799	50	25	2,48,500	..	..	..	..	144	80	..	150	No Spindles.
65. ‡ Nawab of Cambay Mills Co., Ltd.	Messrs. Maganlal Harilal & Co., Secretaries, Treasurers and Agents, 4, ... Fort, Bombay.		1,300	500	500	6,50,000	1,360	13,492	16,872	14,599	771	..	1,918	780	
66. ‡ New Baroda Mills Co., Ltd.	Messrs. Javerchand Lakhmichand & Co., Managing Agents, ... Baroda.	... Gate Station, Baroda	12,500	100	100	12,50,000	..	14,400	14,400	9,368	..	..	1,267	272	
67. ‡ New Jehangir Vakil Mills Co., Ltd. (formerly [illegible] Cotton Mills Co., Ltd.)	Messrs. Rustomji Mangaldas & Co., Agents, Bhavnagar.	Bhavnagar	1,400	250	250	3,50,000	..	28,396	28,396	25,800	474	464	3,294	1,023	
68. New Maneckchowk Spinning and Weaving Co., Ltd.	Mr. Lalbhai Tricumlal, Agent. Office on Mill premises.	Outside Dariapur Gate, Ahmedabad	325	1,000	1,000	3,25,000	..	27,196	27,196	26,630	619	619	3,114	1,134	
69. New [illegible] Spinning and Manufacturing Co., Ltd. (formerly Nadiad Swadeshi Spinning, Weaving and Manufacturing Co., Ltd.)	Messrs. Mafatlal Chandoolal & Co., Secretaries, Treasurers and Agents, Office, Asarva Road, Railwaypura Post, Ahmedabad.	Nadiad, Dist. Kaira	1,300	250	250	3,25,000	..	34,209	34,209	30,270	699	696	3,540	1,400	
70. New Swadeshi Mills of Ahmedabad, Ltd. (formerly Ahmedabad Swadeshi Spinning and Mfg. Co., Ltd.)	Messrs. [illegible], Secretaries, Treasurers & Agt. Office on Mill premises.	... Road, Ahmedabad	14,200	1,000	1,000	5,82,100	..	24,000	24,000	22,463	600	640	[illegible]	[illegible]	
71. ‡ Petlad Bulakhidas Mills Co., Ltd.	Messrs. Motilal [illegible] & Co., Secretaries, Treasurers & Agents.	Station Road, Petlad	10,000	100	100	10,00,000	..	19,216	19,216	15,805	..	..	2,057	932	
72. Pratap Spg. Wvg. and Mfg. Co., Ltd.	Messrs. Motilal Manekchand & Co., Secretaries, Treasurers and Agents, Amalner, East Khandesh. Bombay Office...	Amalner, East Khandesh	15,000	100	100	15,00,000	468	32,904	33,372	32,680	812	800	4,816	1,392	
73. [illegible] Spinning and Mfg. Co., Ltd.	Messrs. Mansukhlal Bhagubhai & Co., Secretaries, Treasurers and Agents, Office, Railwaypura Post, Ahmedabad.	Outside Raipur Gate, Ahmedabad	472 / 320 / 27	1,000 / 250 / 125	1,000 / 250 / 125	5,63,375	..	23,600	23,600	24,346	420	396	2,414	900	
74. Raipur Manufacturing Co., Ltd.	Messrs. Lalbhai Dalpatbhai & Co., Agents, ... Ahmedabad.	Outside Sarangpur Gate	4,000	100	100	5,00,000	..	30,000	30,000	[illegible]	[illegible]	[illegible]	4,849	1,320	
75. ‡ Raja Bahadur Motilal Poona Mills (formerly Poona Cotton and Silk Manufacturing Co., Ltd.)	Mr. [illegible], Proprietor, ... Apollo Street, Fort, Bombay.	Poona	....			....		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mill not working since 19th Aug. 1929.
76. Rajnagar Spinning, Weaving & Mfg. Co., Ltd., No. 1; 77. Do. do. do. No. 2; 78. Do. do. do. No. 3	Mr. Mangaldas Girdhardas Parekh, Secretary, Treasurer and Agent, Office, ... Road, Ahmedabad.	... Railwaypura Post, Ahmedabad	4,800	125	125	6,00,000	..	18,432 / 18,744 / 24,904	18,432 / 18,744 / 24,904	16,800 / 19,182 / 23,018	[illegible]	800	4,880	[illegible]	
79. Rajpur Mills Co., Ltd.	Messrs. [illegible] Shah & Co., Agents, ... Ahmedabad.	Gomtipur, Railwaypura Post, Ahmedabad	Ord. 900; Founders 100	125 / 10	125 / 10	1,01,900	..	..	..	..	..	..	..	120	No Spindles.
80. ‡ Rajputana [illegible] Mills Co., Ltd.	Messrs. Ramanlal Keshavlal & Co., Agents, ... (Baroda).		15,000	100	100	14,47,045	..	18,580	18,580	15,626	190	188	2,621	481	
81. Rustom Jehangir Vakil Mills Co., Ltd.	Messrs. Rustomji Mangaldas & Co., Secretaries, Treasurers and Agents, Office on Mill premises.	Outside Delhi Gate, Ahmedabad	3,230	100	100	3,36,000	..	11,332	11,332	7,473	230	198	768	317	
82. ‡ [illegible] Weaving Factory	Govindlal Gokaldas [illegible], Proprietor, Office on Mill premises.	Near Railway Station, Bhavnagar	....			....	..	300	300	300	10	10	..	20	
83. Saraspur Cotton Manufacturing Co., Ltd.	Messrs. [illegible] Balabhai & Co., Agents, Office on Mill premises.	Outside Raipur Gate, Kankaria Road, Ahmedabad	464	1,000	1,000	4,64,000	..	26,764	26,764	26,494	576	[illegible]	..	1,010	
84. Saraspur Manufacturing Co., Ltd.	Kasturbhai Lalbhai, Esq., Secretary, Manager, Office on Mill premises.	Outside Saraspur Gate, Ahmedabad	6,000	100	100	6,00,000	..	33,824	33,824	36,118	658	658	7,410	1,130	
85. Saraswati Ginning and Mfg. Co., Ltd. (formerly [illegible] Cotton Manufacturing Co., Ltd.)	Lady Sulochana Chinubhai & Co., Agents, Treasurers and Agents, Lal Bungalow, near ... Hanuman, ..., Ahmedabad.		30,000	100	100	29,32,678	3,744	14,720	18,464	[illegible]	444	[illegible]	[illegible]	[illegible]	
86. Sholapur Spinning and Weaving Co., Ltd.	Messrs. [illegible] Gokuldas & Co., Agents, Sudama House, Sprott Road, Ballard Estate, Fort, Bombay.	Station Road, Sholapur	900	1,000	1,000	9,00,000	10,772	1,00,588	1,11,360	70,256	1,961	1,854	12,854	4,040	30,000 Ring Spindles and 500 Looms in course of erection.
87. Shorrock Spinning and Manufacturing Co., Ltd.	Messrs. Mafatlal Chandulal & Co., Agents, Asarva Road, Railwaypura Post, Ahmedabad.	... Road, Ahmedabad	325	1,000	1,000	3,25,000	..	26,880	26,880	25,740	628	621	2,427	1,011	
88. ‡ ‡ Shri Gajanan Weaving Mills	Mr. V. R. Velankar, Managing Proprietor, Ganpati Mala, Sangli.	Sangli, S. M. Country	....	..	..	30,000	..	..	..	..	22	22	..	90	No Spindles.
89. Shri Laxmi Narayan Mills of the New Ginning, Pressing & Manufacturing Co., Ltd.	Sheth Narayan [illegible], Managing Agent, Office on Mill premises.	... East Khandesh	20,000	100	100	18,96,720	..	10,300	10,300	6,172	250	184	189	423	
90. [illegible] Weaving and Manufacturing Co., Ltd.	Messrs. Govindlal Maneklal & Co., Agents, Secretaries and Treasurers, Office on Mill premises.	Near Railway Over-bridge, Ahmedabad	Old 585; New 3,413	100 / 100	[illegible]	3,98,302	..	..	..	..	216	202	..	200	No Spindles.
91. Shree Sayaji Jubilee Cotton and Jute Mills Co., Ltd.	Messrs. Prahladji Sewakram & Co., Secretaries, Treasurers and Agents, opposite Station (B.-M. Railway), Sidhpur (B.-M. Railway).	Sidhpur	5,211	100	100	5,21,100	..	12,870	12,870	12,576	788	243	1,900	536	
92. ‡ Shree Sayaji Mills Co., Ltd.	Messrs. [illegible] Bechar & Co., Near Old Railway Station, Baroda.	Old Railway Station, Baroda	525 / 840	1,000 / 500	1,000 / 500	6,06,000	1,200	16,640	17,840	17,000	308	300	1,677	954	
93. ‡ ‡ Shri Shahu Chhatrapati Mills	H. H. The Chhatrapati Maharaja Saheb of Kolhapur, Owner, Shahupuri, Kolhapur.	Shahupuri, Kolhapur, S. M. C.	....			....	..	11,388	11,388	11,024	..	..	1,808	440	
94. Shri Vivekanand Mills, Ltd.	Messrs. Nandlal Maneklal & Co., Agents, Gomtipur Road, Ahmedabad.	... Ahmedabad	3,194	125	125	3,96,825	..	..	..	..	224	202	..	207	No Spindles.
95. ‡ ‡ Shri Sat-Narain Weaving Mills	Messrs. [illegible] Ramchand & Co., Proprietors and Agents, ... Building, near ..., Shikarpur, Sind.	... Canal, Shikarpur	....			....	..	..	..	..	34	[illegible]	..	[illegible]	No Spindles.
96. Sidhpur Mills Co., Ltd.	Messrs. Maneklal Parbhudas & Co., Agents, Office on Mill premises.		5,000	100	100	4,97,725	..	*14,448	14,448	13,590	..	..	2,900	[illegible]	*3,449 additional Ring spindles in course of erection.
97. Silver Cotton Mills Co., Ltd.	Messrs. Gopalbhai Bakubhai & Co., Secretaries, Treasurers and Agents, Office on Mill premises.	... Gate	3,840	250	250	9,30,450	..	19,036	19,036	[illegible]	..	..	*1,857	425	*Taken from last year's statement.
98. Surat Cotton Spinning and Weaving Mills, Ltd.	Sir Mafatlal Gagalbhai & Sons, Managing Directors, 269, Hornby Road, Bombay.		3,000	1,000	1,000	30,00,000	..	14,688	14,688	12,140	324	294	4,021	578	
99. Surat Industrial Mills Co., Ltd.	Messrs. Thakorlal Jivanram Mehta and [illegible] C. Jadav, Official Liquidators, Kotwali Street, Surat.		2,400	500	500	12,00,000	..	..	..	..	422	..	..	..	Spg. Dept. destroyed by fire. Not working at present. In liquidation.
100. Surat Weaving Mills, Limited	Messrs. M. N. Hatimbhoy & Co., Agents, Surat.		3,000	100	100	3,00,000	..	..	..	..	220	200	..	110	No Spindles.
101. Suryapur Mills Co., Ld.	Messrs. Madhavji Thackersey & Co., ...	Surat	10,000	25	25	2,47,704	..	..	..	..	320	..	..	..	In Liquidation.
102. Universal Cotton Mills Co., Ltd. (formerly Ahmedabad Silk and Cotton Mfg. Co., Ltd.)	Messrs. Ranchhodlal and Jamnadas & Co., Agents, Office on Mill premises.	... Musjid, Ahmedabad	Pref. 6,000; Ord. 6,000	100 / 100	100 / 70	10,20,000	..	..	..	..	200	230	..	198	No Spindles.
103. [illegible] Allied Mills Co., Ltd.	Messrs. Harilal Vrajlal & Bros. Agents, the Official Liquidator, Viramgam.	Viramgam	1,100	500	500	5,50,000	..	20,000	20,000	16,300	504	420	1,950	[illegible]	In Liquidation. Mill closed.
104. Viramgam Spinning and Manufacturing Co., Ltd.	Messrs. Whittle Maganlal & Sons, Agents, outside [illegible] Gate, Viramgam.	... Station	Old 800; New 800	500 / 250	500 / 250	6,00,000	738	22,512	23,250	16,667	565	468	2,322	1,092	
105. [illegible] Cotton Mill, Ltd.	The Bombay Co., Ltd., Secretaries, Treasurers and Agents, 9, Wallace Street, Fort, Bombay.		Ord. 3,200; Pref. 1,000	500	500	24,00,000	..	45,020	45,020	45,918	1,254	1,238	7,962	3,357	
106. ‡ Wadhwan Camp Mills	[illegible], Esq., Official Receiver, Wadhwan Civil Station.	Civil Station	....	..	..	....	825	13,184	13,729	11,677	229	170	2,094	[illegible]	
107. Whittle Spinning and Manufacturing Co., Ltd., No. 1; 108. Do. do. do. No. 2; 109. Do. do. do. No. 3	Mr. R. B. Shivdasani, ..., Official Liquidator, ..., Ahmedabad.	... Road, Ahmedabad	1,000	500	500	5,00,000	5,064 / 13,536	19,008 / 8,203	24,012 / 21,744	[illegible] / 19,050	[illegible] / 312	[illegible] / 297	4,061	[illegible]	In Liquidation. ... Spindles.
Total						8,43,16,062	40,662	22,67,277	23,36,968	20,34,0..	46,223	40,237	2,57,188	90,81.	

‡ Statement not received. Figures taken from last year's statement.

† Proprietary Concern.

‡ Native States and Foreign Territory.

PUNJAB

UNITED PROVINCES OF ...

MADRAS

TRAV...

MYSORE

Delhi Cloth and General Mills ...

Agra Spinning and Weaving ...

Agra United Mills, Ltd. ...

Cawnpore Cotton Mills ...

Cawnpore Textiles, Ltd. ...

Elgin Mills Co., Ltd. ...

Muir Mills Co., Ltd. ...

New Victoria Mills Co. ...

Madura Mills Co., Ltd. ...

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESS.	
BOMBAY PRESIDENCY. *(Other than those in the Istand of Bombay.)*		
1. Ahmedabad Advance Mills, Ltd.	Messrs. Tata Sons, Ltd., Agents, Bombay House, 24, Bruce Road, Fort, Bombay.	Shahi Del
2. Ahmedabad Astodia Manufacturing Co., Ltd. ..	Messrs. Desai Girdharlal Amritlal & Co., Agents, Office on Mill premises.	Outsi Ahr
3. Ahmedabad Cotton and Waste Mfg. Co., Ltd. ..	Messrs. Rustomjee Govindlal & Co., Ltd., Agents, Dudheshar Road, Ahmedabad.	Dudh bad
4. Ahmedabad Cotton Manufacturing Co., Ltd. ..	Messrs. Amritlal Damodardas & Co., Agents, Office on Mill premises.	Outsi Ahr
5. Ahmedabad Fine Spinning and Weaving Co., Ltd. ..	Messrs. Hirabhai Ishwerbhai and Co., Secretaries, Treasurers and Agents, Lalavasanipal, Shankdisheri, Ahmedabad.	Gomt bad
6. Ahmedabad Ginning and Manufacturing Co., Ltd. ..	Messrs. Madhowlal Runchorelal & Co., Agents, Office on Mill premises.	Railw bad
7. Ahmedabad Industrial Mills Co., Ltd.	Messrs. Kalidas Lalbhai Mehta & Co., Ltd., Agents, Gomtipur Road, Ahmedabad.	Gomt Sar aba
8. Ahmedabad Jubilee Spinning and Manufacturing Co., Ltd.	Messrs. Chimanlal Nagindas & Co., Treasurers and Agents, Office on Mill premises.	Outsi Ry.
9. Ahmedabad Jupiter S., W. and Mfg. Co., Ltd. ..	Messrs. Fulchand Govindlal & Co., Agents, Shahaibag, Ahmedabad.	D u d Ahr
10. Ahmedabad Kaiser-i-Hind Mills Co., Ltd. (formerly Ahmedabad Merchants' Spinning Mills Co., Ltd.) .	Messrs. Ramanlal Kaniyalal & Co., Agents, Office on Mill premises.	Outsi Ahr
11. Ahmedabad Laxmi Cotton Mills Co., Ltd.	Messrs. Jayantilal Amratlal & Co., Agents, outside Raipur Gate, Ahmedabad.	Outsi Ah
12. Ahmedabad Manufacturing and Calico Printing Co., Limited.	Messrs. Karamchand Premchand & Co., Agents, Office on Mill premises.	Outsi Ah
13. Ahmedabad New Cotton Mills Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Ltd., Agents, Office on Mill premises.	Kank Rai
14. Ahmedabad New Edward Manufacturing Co., Ltd. ..	Messrs. Jamnadas Damodardas & Sons, Agents to the Official Liquidator Office on Mill premises.	Near Ah
15. Ahmedabad New Textile Mills Co., Ltd. (Nos. 1 & 2).	Messrs. Naranlal Jivanlal & Co., Secs., Treasurers and Agents, Post Box No. 30, Ahmedabad.	Outsi Ah
16. Ahmedabad Sarangpur Mills Co., Ltd.	Messrs. Himatlal Motilal & Co., Agents, outside Raipur Gate, Ahmedabad.	
17. Ahmedabad Shri Ramkrishna Mills Co., Ltd.	Messrs. Chimanlal Maneklal & Co., Secretaries, Treasurers and Agents, Gomtipur Road, Ahmedabad.	Gom ba
18. Ahmedabad Spinning and Weaving Co., Ltd. ..	Messrs. Runchodlal Chotalal & Co., Agents, Office on Mill premises.	Shah
19. Ahmedabad Vishnu Cotton Mills Co., Ltd.	Messrs. Ambalal H. Bhagat & Co., Agents Mandvi Street, Ahmedabad.	Near sid Ah
20. Aryodaya Ginning and Mfg. Co., Ltd. (formerly Ahmedabad Vyapar Ootejack Spinning and Mfg. Company, Limited.)	Messrs. Mangaldas & Brother, Secs., Treasurers and Agents, Office on Mill premises.	Asar
21. Aryodaya Spinning and Weaving Co., Ltd. (Nos. 1 and 2).	Messrs. Mangaldas and Balabhai & Co., Agents, Office on Mill premises.	Asar
22. Asarva Mills (formerly Hitwardhak Cotton Mills Co., Ltd.)	F.E. Dinshaw, Esq., Mortgagee in possession Asarva Road, Post Kalupur, Ahmedabad	Asar
23. Asoka Mills Ld.	Messrs. Lalbhai Dalapatbhai & Co., Agents, Pankore's Naka, Ahmedabad.	Naro
24. §Baroda Spinning and Weaving Co., Ltd. (Block Nos. 1 and 2).	Messrs. Javerchand Laxmichand & Co., Secretaries, Treasurers and Agents, Office on Mill premises.	Pani Ba
25. Barsi Spinning and Weaving Mills Ltd.	Messrs. Desai Sons & Co., Sec Treasurers and Agents, 30 Road, Fort, Bombay.	
26. Bechardas Spinning and Weaving Mills Co., Ltd. ..	Messrs. Durgaprasad S. Las Agents, Raikhad, Ahmedaba	
27. Bharat Spg. and Wvg. Co., Ltd., No. 1 (formerly Hubli Mills, Ltd.)	Messrs. Purshotam Govindj	
28. Do. Do. Do. Do. Do. No. 2 ..	Managing Agents, 9/19 E Fort, Bombay.	
29. Bharatkhand Cotton Mills Co., Ltd.	Messrs. Moolchand Jayakisond Secs., Treasurers and Agents, Pura Post, Ahmedabad.	
[illegible]girath S. W. & Manufacturing Co., Ltd.	Messrs. Bhagirath Ramchandra Agents, Jalgaon, East Kandesh.	
[illegible] Manufacturing Co., Ltd. ..	Messrs. Jivanlal Girdharlal & Co., S ries, Treasurers and Agents, Post B 30, Ahmedabad.	
[illegible] Co., Ltd.	[illegible] Bilasrai &	

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Presented

by

JEHANGIR BOMANJEE PETIT.

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on 01 February, 2020